

**Financial Statements of
Gokak Power & Energy
Limited**



Gokak Power & Energy Limited

DIRECTORS : MUKUNDAN SRINIVASAN - Chairman
RAMESH R. PATIL – Wholetime Director
PRADIP N. KAPADIA
KAIWAN D. KALYANIWALLA
CHANDRAKANT G. SHAH

CHIEF FINANCIAL OFFICER : VIKRAM V. NAGAR

COMPANY SECRETARY : RAKESH M. NANWANI (wef June 1, 2017)

STATUTORY AUDITORS : Messrs. MURUGESH & CO.

BANKERS : ICICI BANK LIMITED

HYDRO POWER HOUSE : GOKAK FALLS-591 308 (DISTRICT BELGAUM- KARNATAKA)

D J MADAN POWER HOUSE : DUPDHAL
TALUKA: GOKAK
DIST. BELGAUM
KARNATAKA

REGISTERED OFFICE : # 1, 2ND FLOOR, 12TH CROSS, IDEAL HOMES,
NEAR JAYANNA CIRCLE, RAJARAJESHWARI NAGAR,
BENGALURU - 560 098

BOARD'S REPORT

To,
The Members of
Gokak Power & Energy Limited

Your Directors present their Report together with the Audited Financial Statements of your Company for the Financial Year (FY) ended March 31, 2017.

1. Financial Results

The company's performance during the financial year under review is summarised as follows :

		(Rs. In Lakhs)	
	Particulars	For the Financial Year 01.04.2016 to 31.03.2017 (12 months)	For the period from 01.10.2015 to 31.03.2016 (6 months)
(a)	Gross Revenue	1128.98	337.68
	Less: Costs	220.90	82.23
(b)	Balance	908.08	255.44
	Less: Interest	1022.53	624.14
		(114.45)	(368.70)
	Less: Depreciation	354.64	193.64
(d)	Profit/(Loss) after depreciation carried to Balance Sheet	(469.09)	(562.34)
	Less : Deferred Tax Liability	(453.53)	(281.80)
	Other Comprehensive Income	0.54	2.70
(e)	Net Profit/ (Loss)	(15.02)	(279.10)

Note : The Company has adopted Indian Accounting Standards (INDAS) with effect from April 1, 2016 and accordingly this financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein. The above figures are extracted from the financial statements as per 'INDAS'.

The Financial Results for the FY 2015-16 were drawn for a period of 6 (six) months ending March 31, 2016 to align with the definition of financial year as per section 2(41) of the Companies Act, 2013. The current year's figures are for a period of 12 (twelve) months commencing from April 1, 2016 to March 31, 2017, hence not directly comparable with the previous year.

2. Operations

During the year under review, your Company has recorded gross income of Rs.1128.98 lakhs (*previous period Rs. 337.68 lakhs*) and the Net loss after tax of Rs. 15.56 lakhs (*previous period Rs. 281.80 lakhs*). The Regulatory Authorities have made changes to the Renewal Energy Certificate mechanism, as applicable to the Company. This has meant that despite a higher generation of electricity during the year, on account of the non-availability of Renewal Energy Certificate during the year, though the Company has been able to reduce the loss, but the results have not been positive. The Company is making all efforts to qualify for the Renewal Energy Certificate, as may be allowed. During the period overall flow of water from various sources (Dams, rivers and canal) was significantly better as compared to previous period, as a result of which, generation of electricity has slightly improved.

3. Outlook

The Company has been putting its all efforts to maximize the generation through efficient management and efficient maintenance.

During the lean period and lower usage of generators, major repair works have been undertaken. If good rainfall prevails in current year, this repair work will give advantage during next electricity generation season.

In addition to 2 hydro projects, feasibility studies are undertaken for Solar, Wind Power generation. Further advice on these proposals are awaited from government agencies in the near future.

4. Share Capital

The paid up equity share capital of the Company as on March 31, 2017 was Rs. 49 Crores. During the year under review, the Company has not issued any shares with differential voting rights or 'sweat equity shares' and has not granted any stock options.

5. Dividend and Transfer to Reserves

In view of the results for the year, no dividend has been recommended for the year. No amount has been transferred to the Reserves during the year.

**6. Material changes and commitments**

Regulatory Authorities have initiated a process to revise downwards floor price of the Renewal Energy Certificate and decisions are awaited. At the present, in petitions filed by others, the Supreme Court has granted a stay against trading of the Renewal Energy Certificate. Except this, there were no material changes and commitments affecting the financial position of the Company which have occurred, between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

7. Subsidiary Company/Joint venture/Associate

The Company does not have any subsidiary, joint venture or associate companies.

8. Deposits

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and Rules framed there under and there is no outstanding deposit.

9. Board of Directors and Key Managerial Personnel

The composition of Board of Directors of the Company is as under:

Sr. No	Name of the Director	Designation	Category
1	Mr. Mukundan Srinivasan (DIN: 00276429)	Chairman	Non Executive Non Independent
2	Mr. Chandrakant G. Shah (DIN: 00002358)	Director	Non Executive Non Independent
3	Mr. Kaiwan D. Kalyaniwalla (DIN: 00060776)	Director	Non Executive Independent
4	Mr. Pradip N. Kapadia (DIN: 00078673)	Director	Non Executive Independent
5	Mr. Ramesh R. Patil (DIN: 07568951)	Wholetime Director	Executive Non Independent

Mr. Mukundan Srinivasan is due to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommend his re-appointment as Director of the Company.

Mr. Vikram V. Nagar who was appointed Whole time Director & Chief Financial Officer with effect from June 21, 2016 by the shareholders of the Company at their Annual General Meeting held on September 2, 2016 had resigned as the Whole time Director with effect from September 8, 2016, he continues as Chief Financial Officer of the Company.

Mr. Ramesh R. Patil had been appointed as an Additional Director and subject to the approval of the shareholders, Wholetime Director of the Company with effect from September 8, 2016.

Key Managerial Personnel of the Company are Mr Ramesh R. Patil, Wholetime Director and Mr. Vikram V. Nagar, Chief Financial Officer. Mr. Mohan Ketkar, who was appointed the Company Secretary with effect from August 1, 2016 resigned with effect from January 1, 2017.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances, which may affect their status as the Independent Directors during the year.

10. Meetings of the Board of Directors and Attendance

The Board met at least once in each quarter. 5 Meetings were held during the financial year ended March 31, 2017 i.e. on June 21, 2016, September 8, 2016, October 7, 2016, November 30, 2016 and January 24, 2017. The number of meetings held and attended during the year are as under:

Sr.No	Name of the Directors	Number of Board Meetings during the Financial Year ended March 31, 2017	
		Held	Attended
1.	Mr. Mukundan Srinivasan	5	3
2.	Mr. Chandrakant G. Shah	5	5
3.	Mr. Kaiwan D. Kalyaniwalla	5	5
4.	Mr. Pradip N. Kapadia	5	5
5.	Mr. Vikram V. Nagar #	1	1
6.	Mr. Ramesh R. Patil *	4	4

Resigned with effect from September 8, 2016

* Appointed with effect from September 8, 2016

11. Committees of the Board**a) Audit Committee**

The Company has an Audit Committee at the Board level which acts as the link between the Management and the Statutory and Internal Auditors and the Board of Directors. It interacts with statutory and internal auditors and reviews and recommends their appointment and remuneration. The Audit Committee is provided with necessary assistance and information, so as to enable it to carry out its function effectively.

Brief description of terms of reference :

The scope of the functioning of the Audit Committee is to review, from time to time, the audit and internal control procedures, the accounting policies of the Company, oversight of the Company's financial reporting process so also to ensure that the financial statements are correct, sufficient and credible and it performs such other functions and role and exercises the powers as are recommended from time to time by SEBI, Stock Exchanges and/or under the Companies Act, 2013.

Audit Committee mandatory reviews the following information:

- Company's financial reporting process, Quarterly and Annual financial statements and financial/risk management policies.
- Statement of significant related party transactions
- Management letters/letters of internal control weakness, if any, issued by the statutory auditors
- Adequacy of the internal control systems and functioning of the Internal Audit team
- Appointment, removal and terms of remuneration of the Auditors.

The composition of Audit Committee of the Company is as under:

Sr. No	Name of the Director	Category
1	Mr. Kaiwan D. Kalyaniwalla -Chairman (DIN: 00060776)	Non Executive Independent
2	Mr. Chandrakant G. Shah (DIN: 00002358)	Non Executive Non Independent
3	Mr. Pradip N. Kapadia (DIN: 00078673)	Non Executive Independent

The Chairman of the Audit Committee is an Independent Director. All the Members of the Committee have relevant expertise in accounting and financial management. The Wholetime Director and Chief Financial Officer are permanent invitees to the Audit Committee Meetings.

The Statutory Auditors and Internal Auditors of the Company are also invited to the Audit Committee Meetings. Discussions with the Management and the Statutory Auditors, the audit plan for the financial year and a joint post-audit review of the same are held at regular intervals.

The Company places all the relevant details before the Audit Committee periodically.

The Committee meets at least once in each quarter. 5 Meetings were held during the financial year ended March 31, 2017 i.e. on June 21, 2016, September 8, 2016, October 7, 2016, November 30, 2016 and January 24, 2017.

The number of meetings held and attended during the year are as under:

Sr. No	Name of the Director	Number of Audit Committee Meetings held during the Financial Year ended March 31, 2017	
		Held	Attended
1.	Mr. Kaiwan D. Kalyaniwalla - Chairman	5	5
2.	Mr. Chandrakant G. Shah	5	5
3.	Mr. Pradip N. Kapadia	5	5

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for determining the compensation payable to Directors, Executive Director and the Senior Management Personnel, based on industry practices and performance of individuals.

Brief description of terms of reference:

- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommending to the Board their appointment and removal.



2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. Formulating the criteria for evaluation of Independent Directors and the Board as a whole.
4. Devising a policy on Board diversity.
5. Approving the remuneration after taking into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
6. Reviewing and determining all elements of remuneration package striking the balance between the interest of the Company and the shareholders
7. All information about the Directors/Managing Director/Whole time Directors/Key Managerial Personnel i.e. background details, past remuneration, recognition or awards, job profile etc., shall be considered and disclosed to shareholders, wherever required.

The composition of Nomination and Remuneration Committee of the Company is as under:

Sr. No	Name of the Director	Category
1	Mr. Kaiwan D. Kalyaniwalla Chairman (DIN: 00060776)	Non Executive Independent
2	Mr. Chandrakant G. Shah (DIN: 00002358)	Non Executive Non Independent
3	Mr. Pradip N. Kapadia (DIN: 00078673)	Non Executive Independent

Two (2) Meetings were held during the financial year ended March 31, 2017 i.e. on June 21, 2016 and September 8, 2016.

The number of meetings held and attended during the year are as under:

Sr.No	Name of the Director	Number of Nomination and Remuneration Committee Meetings held during the Financial Year ended March 31, 2017	
		Held	Attended
1.	Mr. Kaiwan D. Kalyaniwalla - Chairman	2	2
2.	Mr. Chandrakant G. Shah	2	2
3.	Mr. Pradip N. Kapadia	2	2

12. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as, the evaluation of the working of its Audit and Nomination and Remuneration Committees.

In a separate meeting of Independent Directors, performance of Non- Independent Directors of the Board as a whole and the performance of the Chairman were evaluated.

13. Particulars of Employees

During the financial year 2016 -17, the Company did not have any employee who was in receipt of remuneration in aggregate not less than Rs. 1.02 crores p.a, if employed throughout the financial year and in aggregate not less than Rs. 8.50 lakhs p.m, if employed for part of financial year.

14. Auditors and Auditors Report :

The present statutory auditors, Messrs. Murugesh & Company, Chartered Accountants will retire upon the conclusion of the forthcoming Annual General Meeting of the Company, in compliance with the provisions relating to mandatory rotation of Auditors under the Companies Act, 2013.

The Board of Directors of the Company at their meeting held on May 26, 2017 have, subject to the approval of the shareholders of the Company, approved the appointment of Batliboi & Purohit, Chartered Accountants, (Firm Registration No. 101048W) as the statutory auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of 11th Annual General Meeting of the Company.

Batliboi & Purohit, Chartered Accountants have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder, for appointment as Auditors of the Company. The auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Report of the retiring auditors, Messrs. Murugesh & Company, Chartered Accountants forms part of the Annual Report. The Auditors' Report does not contain any qualification.

15. Particulars of loans, guarantees or investments under section 186

Particulars of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements, as applicable.

16. Particulars of contracts or arrangements with related parties:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business.

During the year under review, there were no materially significant related party transactions with the Promoter, Directors, Key Managerial Personnel or the Designated Persons, which may have a potential conflict with the interest of Company at large except sale of power to the holding company, which have been approved by the shareholders.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis.

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been disclosed in Form No. AOC-2 as **Annexure I** to this report.

17. Extract of Annual Return:

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 is forming a part of this Annual Report as **Annexure II**

18. Statutory Disclosures :

There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status and Company's operations in future.

19. Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :

The Company has adopted a policy as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for prevention, prohibition and redressal of complaints of sexual harassment at workplace.

During the year under review, no complaints on sexual harassment were received.

20. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

The details of conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

(a) Conservation of Energy :

(i)	the steps taken or impact on conservation of energy	<p>a. Water and oil leakages identified and attended which in turn resulted in higher efficiency of pump operation.</p> <p>b. Timers to be fixed for switching ON/OFF lightening for inside and outside powerhouse.</p> <p>c. Ventilation and exhaust fan operation to be controlled as per required temperature by utilizing temperature controller to save auxiliary energy consumption.</p> <p>d. Minor water leakages in the canal were repaired to stop wastage of water, thereby using the same water for power generation.</p>
(ii)	the steps taken by the Company for utilizing alternate sources of energy	The Company has its own Hydro-Generation. The Company is in the process of exploring solar option.
(iii)	the capital investment on energy conservation equipment's	The Company has added energy conservation equipments.



(b) Technology Absorption :

(i)	the efforts made towards technology absorption	NA
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NA
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported (b) the year of import; (c) whether the technology been fully absorbed (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and future plan of action	NA NA NA NA
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign Exchange Earnings and Outgo : NIL

21. Human Resources :

Your Company treats its “human resources” as one of its most important assets.

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

22. Directors' Responsibility Statement :

Pursuant to the provisions of Section 134(3)(c) and 134 (5) of the Companies Act, 2013 and based on the representations received from the operating management, the Directors hereby confirm :-

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- that they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the annual accounts on a 'going concern' basis
- that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively and
- that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Acknowledgments :

Your Directors wish to place on record their sincere appreciation for the assistance given by the Company's Bankers and acknowledge that their support has been a source of considerable strength. The Directors commend the continued commitment and dedication of employees at all levels. The Directors also wish to acknowledge with thanks all other stakeholders for their valuable sustained support and encouragement. Your Directors look forward to receiving similar support and encouragement from all stakeholders in the years ahead.

For and on behalf of the Board of Directors

Mumbai,
May 26, 2017

S Mukundan
Chairman

Registered Office:
#1, 2nd Floor, 12th Cross, Ideal Homes,
Near Jayanna circle, Rajarajeshwari Nagar,
Bengaluru- 560 098

Annexure I

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2)
of The Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of The Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1.	Details of contracts / arrangements or transactions not at arm's length basis	NIL
2.	Details of material contracts / arrangements or transactions at arm's length basis	01-April-2016 to 31-Mar-2017
a.	Name of related party and nature of relationship	Gokak Textiles Limited (Holding Company)
b.	Nature of contracts / arrangements /transactions	Agreement for transfer of power between Gokak Power & Energy Limited and Gokak Textiles Limited, Holding Company captive user for consumption.
c.	Duration of contracts / arrangements/ transactions	20 years w.e.f. 27.09.2012
d.	Salient terms of the contracts / arrangements/ transactions including value, if any	Captive user agrees to pay Rs. 3.90 for every unit of power transferred, subject to conditions laid out in the agreement
e.	Date of approval by the Board, if any	22.05.2012
f.	Amount paid as advance, if any	Security Deposit - Rupees One Crore

For and on behalf of the Board of Directors

S. Mukundan

Chairman

Place : Mumbai

Date : May 26, 2017



Form No.MGT-9
EXTRACT OF ANNUAL REPORT

As at March 31, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U40103KA2012PLC062107
2.	Date of Incorporation	27.03.2012
3.	Name of the Company	Gokak Power & Energy Limited
4.	Category	Company Limited by Shares
5.	Sub-Category of the Company	Indian Non-Government Company
6.	Address of the Registered Office and Contact details	# 1, 2nd Floor, 12th Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Bengaluru- 560 098 Ph : +91 80 29744077 ; +91 80 29744078
7.	Whether Listed or not	No
8.	Name, Address and Contact details of the Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name/Description of Main Products/Services	NIC Code of Product/Service	% to Total Turnover of the Company
1	Hydro Electric Power	35101	100%

III. PARTICULARS OF HOLDING SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name AND Address of the Company	CIN/GLN	Holding / Subsidiary /Associate	% of Shares Held	Applicable Section
1	Gokak Textiles Limited	L17116KA2006PLC038839	Holding	51%	2 (87)

IV) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2016				No. of Shares held at the end of the year i.e 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	24,989,940	0	24,989,940	51.00	24,989,940	0	24,989,940	51.00	0.00
(d)	Financial Institutions / Banks	0	0		0.00	0	0		0.00	0.00
(e)	Any Other (Specify)	0	0		0.00	0	0		0.00	0.00
	Sub-Total (A) (1)	24,989,940	0	24,989,940	51.00	24,989,940	0	24,989,940	51.00	0.00
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)	24,989,940	0	24,989,940	51.00	24,989,940	0	24,989,940	51.00	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Portfolio Investors (Corporate)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B) (1)	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Non-Institutions									
(a)	Bodies Corporate	24,010,000	0	24,010,000	49.00	24,010,000	0	24,010,000	49.00	0.00
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto Rs.1 lakh	0	60	60	0.00	0	60	60	0.00	0.00
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(i)	Trust	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Directors & their relatives	0	0	0	0.00	0	0	0	0.00	0.00
(iii)	OCBs/Foreign Cos	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B) (2)	24,010,000	0	24,010,000	49.00	24,010,000	0	24,010,000	49.00	0.00
	Total Public Shareholding (B) = (B)(1)+(B)(2)	24,010,000	60	24,010,060	49.00	24,010,000	60	24,010,060	49.00	0.00
	TOTAL (A)+(B)	48,999,940	60	49,000,000	100.00	48,999,940	60	49,000,000	100.00	0.00



Gokak Power & Energy Limited

ii) Shareholding pattern of Promoter-								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Gokak Textiles Limited	2,49,90,000	51%	-	2,49,90,000	51%	-	-
2.	Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd.,	2,40,10,000	49%	-	2,40,10,000	49%	-	-
	Total	4,90,00,000	100%	-	4,90,00,000	100%	-	-

iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2016 to 31.03.2017			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the end of the year				

IV) Shareholding of Top 10 Shareholders (other than Directors, Promoters and holders of GDR's and ADR's)

	Name of the ShareHolder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Purchase of Shares/Decrease in Shareholding		Commulative Shareholding during the year	
		No of Shares	% of total Shares of the Company			No of Shares	% of total shares of the company	No. of Shares	% of total Shares of the company
1	Shapooji Pallonji Infrastructure Capital Company Pvt. Limited	24,010,000	49.00			-	-	24,010,000	49.00
				31.03.2017		No Change	0	0.00	24,010,000
2	Shapoor P. Mistry JT1 Gokak Textiles Ltd	10	0.00	-	No Change	0	0.00	10	0.00
				31.03.2017	At the end of the year	-	-	10	0.00
3	Sachin Kulkarni JT1 Gokak Textiles Ltd	10	0.00		No Change	10	0.00	10	0.00
				31.03.2017	At the end of the year	-	-	10	0.00
4	Mukundan Srinivasan JT1 Gokak Textiles Ltd	10	0.00	-	No Change	0	0.00	10	0.00
				31.03.2017	At the end of the year	-	-	10	0.00
5	Firoze kavshah Bhatehna JT1 Gokak Textiles Ltd	10	0.00	-	No Change	0	0.00	10	0.00
				31.03.2017	At the end of the year	-	-	10	0.00
6	Vasant Narayan Sanzgiri JT1 Gokak Textiles Ltd	10	0.00	-	No Change	0	0.00	10	0.00
				31.03.2017	At the end of the year	-	-	10	0.00

7	Rahul Adeshwar Jain JT1 Gokak Textiles Ltd	7	0.00					7	0.00
				-	No Change	0	0.00	7	0.00
				31.03.2017	At the end of the year	-	-	7	0.00
8	Mohan Ketkar JT1 Gokak Textiles Ltd	1	0.00					1	0.00
					Transfer	1	0.00	1	0.00
				31.03.2017	At the end of the year	-	-	1	0.00
9	K S Ballal JT1 Gokak Textiles Ltd	1	0.00					1	0.00
				-	No Change	1	0.00	1	0.00
				31.03.2017	At the end of the year	-	-	1	0.00
10	Ramananda Pai JT1 Gokak Textiles Ltd	1	0.00					1	0.00
				-	No Change	1	0.00	1	0.00
				31.03.2017	At the end of the year	-	-	1	0.00

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	10	-	10	-
	Mukundan Srinivasan - JT 1 Gokak Textiles Ltd. Ramananda Pai - JT 1 Gokak Textiles Ltd.	1	-	1	-
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year	10	-	10	-
	Mukundan Srinivasan - JT 1 Gokak Textiles Ltd. Ramananda Pai - JT 1 Gokak Textiles Ltd.	1	-	1	-



V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	69.26	14.10	-	83.36
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.40	-	-	0.40
Total (i+ii+iii)	69.66	14.10	-	83.76
Change in Indebtedness during the financial year				
* Addition	20.82	13.69	-	34.51
* Reduction	-	-	-	-
Net Change	20.82	13.69	-	34.51
Indebtedness at the end of the financial year				
i. Principal Amount	61.82	27.79	-	89.61
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	28.66	-	-	28.66
Total (i+ii+iii)	90.48	27.79	-	118.27

In Rupees

VI. REMUNERATION TO OTHER DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	Particulars of Remuneration	Fees for attending Board/ Committee Meetings	Commission	Others please specify	Total
1	Mr. S. Mukundan	60000	-	-	60000
2	Mr. C. G. Shah	170000	-	-	170000
3	Mr. Pradip N. Kapadia	180000	-	-	180000
4	Mr. Kaiwan D. Kalyaniwala	180000	-	-	180000
	Total	590000	-	-	590000

Note : None of the Key Managerial personnel are receiving any remuneration from the Company.

VII. PENALTIES / PUNISHMENTS/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding/ Fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any
A.	Company Penalty Punishment Compounding		None and Not Applicable		
B.	Directors Penalty Punishment Compounding		None and Not Applicable		
C.	Other Officers in Default Penalty Punishment Compounding		None and Not Applicable		

INDEPENDENT AUDITORS' REPORT

To the Members of GOKAK POWER & ENERGY LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **GOKAK POWER & ENERGY LIMITED** ('the company'), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state affairs of the company as at 31 March 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss & Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.



Gokak Power & Energy Limited

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of the such controls, refer to our separate report in 'Annexure B'; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit & Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company did not have any pending litigations on its financial position in its the Ind AS financial statements;
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. There has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the company.
 - IV. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. **Refer to Note : 9.9 A (ii)** to the standalone Ind AS financial statements.

For MURUGESH & CO.,

Chartered Accountants

Firm Reg No. 002233S

H B M Murugesh

Proprietor

Membership No. 020497

Place : Bengaluru

Date : May 9, 2017

ANNEXURE'S TO THE AUDITORS' REPORT

ANNEXURE 'A'

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a program for physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the years and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. Physical verification of the finished goods, stores, spare parts and raw materials has been conducted by the management at reasonable intervals, except in respect of stocks lying with third parties for which certificates have been obtained. The discrepancies noticed on physical verification of stocks as compared to book records, were not material and have been properly dealt with in the books of account.
- (iii) Company has not granted any unsecured loans to the parties covered in the register maintained u/s 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no material dues of duty, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks. According to records of the company, the company has not issued debentures till 31st March, 2017. Company is regular in repayment of dues to banks.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and on the basis of examination of records of the company, term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company by its officers or employees has been noticed or reported during the course of audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



ANNEXURE 'B'

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Gokak Power & Energy Limited ('the Company') as of 31 March 2017 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered

Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting and their operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting policies, and that receipts and expenditures of the Company are being made only in accordance with authorization of the management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to errors or fraud may occur and not be detected. Also, projection of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Chartered Accountants of India.

For MURUGESH & CO.,
Chartered Accountants
Firm Reg No. 002233S
H B M Muruges
Proprietor
Membership No. 020497

Place : Bengaluru
Date : May 9, 2017

GOKAK POWER & ENERGY LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	As at 31st Mar., 2017 in Lakhs	As at 31st Mar., 2016 in Lakhs	As at 31st Oct. 2015 in Lakhs
Assets				
1 Non-current assets				
a) Property, Plant and Equipment	4	10,859.18	11,213.81	11,407.44
b) Capital work-in-progress		14.26	22.36	22.36
		-	-	-
g) Tax assets				
i) Deferred tax assets (net)	16	783.51	329.98	49.45
ii) Income tax assets (net)	20A	13.53	13.90	6.64
		797.04	343.88	56.09
h) Other non-current assets	10A	71.03	75.18	61.78
Total Non-current assets		11,741.51	11,655.23	11,547.67
2 Current assets				
a) Inventories	8	14.40	17.83	15.71
b) Financial Assets:				
i) Investments	11B	-	-	-
ii) Trade receivables	5	86.44	12.45	32.47
iii) Cash and cash equivalents	9A	35.87	529.18	0.15
iv) Bank balances other than (ii) above	9B	956.17	895.73	837.09
v) Loans	6	-	-	-
vi) Other financial assets	7	455.90	738.60	878.96
		1,534.38	2,175.96	1,748.67
c) Current tax assets (net)	20B	-	-	-
d) Other current assets	10B	3.55	5.10	4.29
		1,537.93	2,181.06	1,752.96
Total Current assets		1,552.33	2,198.89	1,768.67
Total Assets		13,293.84	13,854.12	13,316.34
Equity and Liabilities				
Equity				
a) Equity share capital	11A	4,900.00	4,900.00	4,900.00
b) Other equity	12	(745.85)	(730.84)	(451.74)
Equity attributable to owners of the Company		4,154.15	4,169.16	4,448.26
Total Equity		4,154.15	4,169.16	4,448.26
Liabilities				
1 Non-current liabilities				
a) Financial liabilities:				
i) Borrowings	13	5,321.75	6,182.00	6,554.00
ii) Other financial liabilities	14A	100.00	100.00	100.00
		5,421.75	6,282.00	6,654.00
b) Provisions	15A	16.63	19.64	21.35
c) Other non-current liabilities	17A	-	-	-
Total Non-current liabilities		5,438.38	6,301.64	6,675.35



2 Current liabilities				
a) Financial liabilities:				
i) Borrowings	18	2,779.22	1,409.58	309.92
ii) Trade payables	19A	12.64	10.53	12.54
iii) Other financial liabilities	14B	900.82	807.46	775.25
		3,692.68	2,227.57	1,097.71
b) Provisions	15B	0.67	3.33	3.26
d) Other current liabilities	17B	7.96	1,152.42	1,091.76
		3,701.31	3,383.32	2,192.73
Liabilities directly associated with assets classified as held for sale		-	-	-
Total Current Liabilities		3,701.31	3,383.32	2,192.73
Total Liabilities		9,139.69	9,684.96	8,868.08
Total Equity and Liabilities		13,293.84	13,854.12	13,316.34
See accompanying notes forming part of the financial statements	1 to 38			

In terms of our report attached
For MURUGESH & CO.,
Chartered Accountants
Firm Reg No. 002233S

VIKRAM NAGAR
Chief Financial Officer

H B M MURUGESH
Proprietor
Membership No. 020497
Bengaluru, 09th May, 2017

MUKUNDAN SRINIVASAN
(DIN: 00276429)

Chairman

RAMESH R. PATIL
(DIN: 07568951)

Whole Time Director

C.G. SHAH
(DIN: 00002358)

KAIWAN D. KALYANIWALLA
(DIN: 00060776)

PRADIP N. KAPADIA
(DIN: 00078673)

Directors

Mumbai, 09th May, 2017

GOKAK POWER & ENERGY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	Year Ended 31st Mar., 2017 in Lakhs	Year Ended 31st Mar., 2016 in Lakhs
A I Revenue from operations	21	1,053.91	302.00
II Other income	22	75.07	35.67
III Total Income (I + II)		1,128.98	337.67
IV Expenses:	24	-	-
Cost of materials consumed	23	0.01	-
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	-	-
Employee benefits expense	23	58.29	26.93
Finance costs	24	1,022.53	624.14
Depreciation and amortisation expense	25	354.64	193.64
Other expenses	26	162.60	55.30
Total expenses		1,598.07	900.01
V Profit / (Loss) before exceptional items and tax (III - IV)		(469.09)	(562.34)
VI Exceptional items - Income	26B	-	-
VII Profit before tax (V + VI)		(469.09)	(562.34)
VIII Tax expense:			
(a) Current tax	27	-	-
(b) Deferred tax	27	(453.53)	(280.54)
		(453.53)	(280.54)
IX Profit for the year from continuing operations (VII - VIII)		(15.56)	(281.80)
B DISCONTINUED OPERATIONS			
X Profit / (Loss) before tax from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
		-	-
XII Profit / (Loss) for the year from discontinued operations (after tax) [X - XI]		-	-
C TOTAL OPERATIONS			
XIII Profit for the year (IX + XII)		(15.56)	(281.80)
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(a) Changes in revaluation surplus		0.54	2.70
Remeasurement of the defined benefit plans		-	-
(c) Equity instruments through other comprehensive income		-	-
(d) Others		-	-
(e) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss		-	-
		0.54	2.70
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		0.54	2.70
B (i) Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations including the gain / loss on related hedging instrument		-	-
(b) Debt instruments through other comprehensive income		-	-
(c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		-	-
(d) Others		-	-
(e) Share of other comprehensive income in associates and joint ventures, to the extent that may be reclassified to profit or loss		-	-
		-	-



B (ii) Income tax relating to items that may be reclassified to profit or loss		-	-
		-	-
Other Comprehensive Income A		0.54	2.70
XV Total Comprehensive Income for the period (XIII + XIV)		(15.02)	(279.10)
XVI Earning per equity share (for continuing operation): Basic and diluted earnings per equity share ₹	28	₹ (0.03)	₹ (0.58)
XVII Earning per equity share (for discontinued operation): Basic and diluted earnings per equity share ₹		₹ 0.00	₹ 0.00
XVIII Earning per equity share (for continuing and discontinued operation): Basic and diluted earnings per equity share `		₹ (0.03)	₹ (0.58)
See accompanying notes forming part of the financial statements	1 to 41		

In terms of our report attached
For MURUGESH & CO.,
Chartered Accountants
Firm Reg No. 002233S

VIKRAM NAGAR
Chief Financial Officer

H B M MURUGESH
Proprietor
Membership No. 020497
Bengaluru, 09th May, 2017

MUKUNDAN SRINIVASAN
(DIN: 00276429)

Chairman

RAMESH R. PATIL
(DIN: 07568951)

Whole Time Director

C.G. SHAH
(DIN: 00002358)

KAIWAN D. KALYANIWALLA
(DIN: 00060776)

PRADIP N. KAPADIA

Directors

Mumbai, 09th May, 2017

GOKAK POWER & ENERGY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Year Ended 31st Mar., 2017	Year Ended 31st Mar., 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit \ (Loss) before tax for the year	(468.54)	(559.64)
Adjustments for:		
Depreciation expenses	354.64	193.64
Finance Cost	1,022.53	624.14
Interest & Dividend Income	(75.07)	(35.67)
Cash Generated from operations before working capital changes	833.56	222.47
Adjustments for:		
(Increase)/decrease in trade receivables	(73.99)	20.03
(Increase)/decrease in inventories	3.42	(2.12)
(Increase)/decrease in Other Current Assets	288.77	118.89
(Increase)/decrease in trade payables	12.64	-
Increase / (Decrease) in Long Term Provision	(3.01)	(1.71)
Increase / (Decrease) in Short Term Provision	(2.66)	0.07
Increase / (Decrease) in other Current Liabilities	(1,177.88)	90.86
Cash generated from operations	(119.15)	448.49
Taxes paid (net of refunds)	-	-
Net cash generated from operating activities - [A]	(119.15)	448.49
B. Cash Flow from Investing Activities :		
Purchase of tangible assets	8.08	-
Interest received	75.07	35.67
Net cash flow from/ (used in) investing activities [B]	83.16	35.67
C. Cash Flow from Financing Activities :		
Finance Cost (Excl Exchange Loss)	(1,022.53)	(624.14)
Repayment of Long-term borrowings	(744.00)	(372.00)
Proceeds from short term borrowings	1,369.65	1,099.66
Net cash flow from/ (used in) financing activities [C]	(396.88)	103.52
Net increase/ (decrease) in cash and cash equivalents [D]= [A]+[B]+[C]	(432.87)	587.69
Cash and cash equivalents as at beginning [E]	1,424.92	837.23
Cash and cash equivalents as at closing [D]+[E]	992.05	1,424.92

Notes:

- i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statements".
- ii) Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

See accompanying notes forming part of the financial statement.

MUKUNDAN SRINIVASAN
(DIN: 00276429)

Chairman

In terms of our report attached
For MURUGESH & CO.,
Chartered Accountants
Firm Reg No. 002233S

RAMESH R. PATIL
(DIN: 07568951)

Whole Time Director

C.G. SHAH
(DIN: 00002358)

KAIWAN D. KALYANIWALLA
(DIN: 00060776)

Directors

VIKRAM NAGAR
Chief Financial Officer

PRADIP N. KAPADIA
(DIN: 00078673)

H B M MURUGESH
Proprietor
Membership No. 020497
Bengaluru, 09th May, 2017

Mumbai, 09th May, 2017



GOKAK POWER & ENERGY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON MARCH 31, 2017

1 Corporate Information

Gokak Power & Energy Limited is public company incorporated on 17th January, 2012 under the provisions of Companies Act, 1956. The company is in the business of generation/producing electric power. The Company has 10.8 MW of Hydro power plant. The Company is selling power generated from this combination of long term Power Purchase Agreements and on merchant basis.

2 Basis of Preparation

i. The financial statements of the Company have been prepared on in accordance with Indian accounting standards herein after referred to as the, Ind AS' as notified by ministry of corporate affairs pursuant to section 133 of the Companies Act, 2013 (Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provision of the Act. The financial statements have been prepared on accrual basis and under the historical cost convention.

ii. Company has prepared Current financial statements for the Period April 01, 2016 to March 31, 2017, previous financial statements are prepared for a period of 6 months from October 1, 2015 to March 31, 2016 as required Under the Act. Hence the figures for the current accounting period are not comparable with those of the previous accounting year.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS separate financial statements. The date of transition to Ind AS is Oct.01,2015. Refer Note xxiii for the details of first-time adoption exemptions availed by the Company.

iii. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

3 Significant Accounting Policies

(a) Statement of Compliance :

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

The separate financial statements are presented in addition to the consolidated financial statements presented by the Company.

(b) Basis of Preparation and presentation :

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/activities of the Company and the normal time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current .

(c) Fixed Assets :

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation. The cost comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Adjustments arising from the exchange rates variances relating to liabilities attributable to fixed assets are expensed out.

(d) Investment property :

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of Oct.01,2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

(e) Depreciation /Amortisation:

Depreciation on property, plant and equipment has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013. Items costing less than and up to Rs. 5,000 are fully depreciated in the year of purchase. Cost of Leasehold Land and Building are amortised over the period of lease.

(f) Investments in Subsidiary :

Investments are classified into long-term and current investments. Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature. The fair value of a long-term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment. Current investments are stated at lower of cost and fair value.

(g) Financial instruments :

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial liabilities and equity instruments :

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

(h) Borrowing Cost :

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(i) Revenue Recognition

Income from Power Generation: Sales are accounted for on transmission of power to the customers and are net of taxes.

Income from Power Incentive: Revenue from Renewable Energy Certificates is recognised on accrual basis.

NOTE : Previously company was eligible for REC benefit on 10.8 WW with recent 4th amendment gazette notification dated : 30.03.2016, now company is eligible for REC income on 4.5 MW after installation of ABT meter, REC income will be regularized.

(j) Operating Expenses :

Operating expenses and standing charges are charged to revenue on accrual basis.

(k) Provisions and Contingent Liability :

A provision is recognised when enterprise has present obligation as a result of past event; it is probable that an outflow of resources will be required to the obligations, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Reimbursement against a provision is recognised as a separate asset based on virtual certainty. Contingent Assets are not recognised.



(i) Accounting for Taxes on Income :

Tax expense for the year comprises of current tax and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Deferred Tax Assets and Liabilities are measured using tax rates and tax laws that have been enacted / substantively enacted as on the balance sheet date. Provision for deferred tax is made for all temporary timing difference arising between the taxable income and accounting income at currently enacted tax rates. Deferred tax assets, other than un-absorbed tax losses and tax depreciation, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on un-absorbed tax losses and tax depreciation, subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Assets/Liabilities are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India on Accounting for Credit Available in respect of MAT under the Income Tax Act, 1961, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(m) Earnings per Share :

The Company reports basic and diluted earnings per equity share in accordance with AS-20, Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

(n) Impairment :

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such condition exists, the Company estimates the recoverable amount of the assets. If the recoverable amount of such assets or recoverable amount of cash generating units to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

(o) Employee Benefits :

Short-term Obligations :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

Other long-term employee benefit obligations

Long-term compensated absence is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Actuarial gain/losses, if any, are immediately recognised in the Statement of Profit and Loss.

Defined Contribution Plans:

Employee benefits in the form of Provident Fund and Superannuation are considered as defined contribution plan and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

(p) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(q) First-time adoption – mandatory exceptions, optional exemptions**Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of Oct. 01, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after Oct.01,2015 (the transition date).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTPL criteria based on the facts and circumstances that existed as of the transition date.

Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

Deemed cost for property, plant and equipment, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of Oct.01,2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.



GOKAK POWER & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON MARCH 31, 2017

4. Property, plant and equipment

in Lakhs

	Building and structures	Plant and machinery	Furniture, Fixtures & Office Equipments	Data processing equipments	Total
Cost or Deemed cost					
Balance at October 1, 2015	6,777.64	4,628.97	0.83	-	11,407.44
Additions	-	-	-		-
Acquisitions through business Combinations	-	-	-		-
Disposal	-	-	-		-
Reclassified as held for sale	-	-	-		-
Others	-	-	-		-
Balance at April 1, 2016	6,777.64	4,628.97	0.83	-	11,407.44
Additions	-	-	0.01		0.01
Acquisitions through business Combinations	-	-	-		-
Disposal	-	-	-		-
Reclassified as held for sale	-	-	-		-
Others	-	-	-		-
Balance at April 1, 2017	6,777.64	4,628.97	0.84	-	11,407.45
Accumulated depreciation and impairment					
Balance at Oct.01,2015	-	-	-		-
Eliminated on disposals of assets	-	-	-		-
Eliminated on reclassification as held for sale	-	-	-		-
Depreciation expense	127.66	65.92	0.06		193.64
Others	-	-	-		-
Balance at April 1, 2016	127.66	65.92	0.06	-	193.64
Eliminated on disposals of assets	-	-	-		-
Eliminated on reclassification as held for sale	-	-	-		-
Depreciation expense	236.89	117.62	0.13		354.64
Others	-	-	-		-
Balance at April 1, 2017	364.55	183.53	0.19	-	548.28
Carrying Amount					
Balance at Oct.01,2015	6,777.64	4,628.97	0.83	-	11,407.44
Addition	-	-	-		-
Disposal	-	-	-		-
Reclassified as held for sale	-	-	-		-
Depreciation expense	127.66	65.92	0.06		193.64
Others	-	-	-		-
Balance at April 1, 2016	6,649.98	4,563.06	0.77	-	11,213.81
Addition	-	-	0.01		0.01
Disposal	-	-	-		-
Reclassified as held for sale	-	-	-		-
Depreciation expense	236.89	117.62	0.13		354.64
Others	-	-	-		-
Balance at April 1, 2017	6,413.50	4,445.93	0.65	-	10,859.18

GOKAK POWER & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON MARCH 31, 2017

5. Trade receivables

5. Current	Particulars	GTL		
		As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
	Trade receivables			
	a) Unsecured, considered good	86.44	12.45	32.47
	b) Doubtful	-	-	-
	Allowance for doubtful debts (expected credit loss allowance)	-	-	-
	Total (B)	86.44	12.45	32.47
	Total (A+B)	6.44	12.45	32.47

5.1 Trade receivables

The average credit period on sales is 15 to 30 days. No interest is charged on trade receivables overdue. The Company doesn't recognise an allowance for doubtful debts as standard policy as majority of sales is to Holding Company.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of receivables that are past due but not impaired

Particulars	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
Not Due			
0 - 60	86.44	12.45	32.47
61 - 180			
181 - 365			
Above 365 Days			
Total	86.44	12.45	32.47

7. Other financial assets**7. Current***in Lakhs*

Particulars	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
a) Accruals:			
i) Interest accrued on deposits with bank	-	-	-
ii) Interest accrued on investments	-	-	-
iii) Interest accrued on loans	-	-	30.22
sub total (a)	-	-	30.22
b) Other current receivables			
- Unsecured, considered good	455.90	738.60	848.75
- Claim Receivable			
- Super Annuation Fund Receivable			
sub total (d)	455.90	738.60	848.75
Total (a+b)	455.90	738.60	878.96



8. Inventories

Particulars	<i>in Lakhs</i>		
	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
a) Inventories (lower of cost and net realisable value)			
Raw materials	-	-	-
Work-in-progress	-	-	-
Finished goods	-	-	-
Stock-in-trade	-	-	-
Stores and spares	14.40	17.83	15.71
	-	-	-
Total (a)	14.40	17.83	15.71
b) Goods-in-transit	-	-	-
Total (a)	14.40	17.83	15.71

9.9 A. (i) Cash and cash equivalents

Particulars	<i>in Lakhs</i>		
	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
Balances with Banks			
a) In current accounts	35.48	528.69	0.11
b) In EEFC Accounts	-	-	-
	35.48	528.69	0.11
Cheques, drafts on hand	-	-	-
Cash on hand	00.39	0.50	0.04
Cash and cash equivalents as per balance sheet	35.88	529.19	0.14

Note : 9.9 A. (ii)

Disclosure on Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows

Particulars	Specified Bank	Other	Total
	Notes*	denomination notes	
Closing cash in hand as on November 8, 2016	-	4,654.00	4,654.00
Add : Permitted receipts	-	103,807.00	103,807.00
Less : Permitted payments	-	69,391.00	69,391.00
Less : Amount deposited in Banks	-	-	-
Closing cash in hand as on December 30, 2016	-	39,070.00	39,070.00

For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

9.9 B. Other Bank balances

a) Earmarked accounts:			
- Unpaid dividends	-	-	-
b) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited with ICICI Bank under lien.	956.17	895.73	837.09
c) Balances held as margin money / under lien with remaining maturity of less than 12 months	-	-	-
	956.17	895.73	837.09

10. Other assets**10A. Non Current***in Lakhs*

Particulars	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
a) Capital Advances	-	-	-
b) Security Deposits	-	-	-
c) Advances to Employees	0.54	0.84	0.05
b) Prepaid expenses	19.46	23.31	10.70
d) Balances with statutory / government authorities			
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less : Allowance for doubtful balances	-	-	-
e) Minimum Alternate Tax	51.03	51.03	51.03
Total	71.03	75.18	61.78

10 B. Current*in Lakhs*

Particulars	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
a) Advances for supply of goods and services			
- Unsecured, considered good	3.33	4.88	4.07
- Doubtful	-	-	-
Less : Allowance for doubtful advances	-	-	-
	3.33	4.88	4.07
b) Prepaid expenses	-	-	-
c) Security Deposits	0.22	0.22	0.22
d) Balances with statutory / government authorities			
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less : Allowance for doubtful balances	-	-	-
e) Claims Receivable & Duty Drawback Detailed Note to be given	-	-	-
f) Other Current Assets	-	-	-
g) Interest Subsidy Receivable	-	-	-
h) Advance Tax and TDS Receivable	-	-	-
Total	3.55	5.10	4.29

11. Equity Share Capital**GPEL**

Particulars	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
Authorised Share capital :			
70,00,000 fully paid equity shares of Rs. 10 each	-	-	-
Issued, subscribed and paid-up share capital:			
64,99,308 fully paid equity shares of Rs. 10 each (as at March 31, 2016: 49,000,000; as at October 01, 2015: 49,000,000)	4,900	4,900	4,900
	-	-	-
	4,900	4,900	4,900



11.1 Fully paid equity shares

Particulars	Number of shares	Share capital (in Lakhs)
Balance as at 1st Oct., 2015	49,000,000	90,000,000
Movements	-	-
Balance as at 31st Mar., 2016	49,000,000	490,000,000
Movements	-	-
Balance as at 31st Mar., 2017	49,000,000	490,000,000

11.2 Details of shares held by the holding company, its subsidiaries and associates

Particulars	Fully paid ordinary shares		
	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
Balance at the beginning of the period			
Gokak Textile Limited - Holding Company	24,990,000	24,990,000	24,990,000
Total	24,990,000	24,990,000	24,990,000

11.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2017		As at 31st Mar., 2016		As at 1st Oct., 2015	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares						
Shapoorji Pallonji Infrastructure Capital Company Private limited.	240.10	49%	240.10	49%	240.10	49%
Total	240.10	0.49	240.10	0.49	240.10	0.49

11.4 The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

12. Other equity

Particulars	GPEL		
	As at 31st Mar., 2017	As at 31st Mar., 2016	As at 1st Oct., 2015
a) General reserve (Refer Note 1)			
Balance at beginning of the year	(730.84)	(451.74)	(410.14)
Movements	-	-	-
Balance at end of the year	(730.84)	(451.74)	(410.14)
b) Preference Share Capital			
7% Non-cumulative, non-convertible, Redeemable Preference Shares of `10 each	-	-	-
11% Non-cumulative, non-convertible, Redeemable Preference Shares of `10 each	-	-	-
Balance at end of the year	-	-	-
c) Retained earnings			
Balance at beginning of year	-	-	-
Profit/(Loss) attributable to owners of the Company	(15.01)	(279.10)	(41.59)
	-	-	-

Acturial (Gain)/ Loss- Gratuity- OCI- Opening	-	-	-
Add: Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	-	-	-
Change in fair value of financial liability attributable to changes in the credit risk which is FVTPL	-	-	-
Difference arising on disposal of interest that does not result in loss of control	-	-	-
Payment of dividends on equity shares	-	-	-
Share buy-back	-	-	-
Related income tax	-	-	-
Opening Ind AS adjustment	-	-	-
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	-	-	-
Balance at end of the year	(15.01)	(279.10)	(41.59)
Total	(745.85)	(730.84)	(451.74)



GOKAK POWER & ENERGY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED AS ON MARCH 31, 2017

Statement of changes in equity for the year ended 31st March, 2017	
₹. In Nos	
a. Equity share capital	Amount
Balance as at 1st Oct., 2015	49,000,000
Changes in equity share capital during the year	-
Balance as at 31st Mar., 2016	49,000,000
Changes in equity share capital during the year	-
Balance as at 31st Mar., 2017	49,000,000

in Lakhs

Statement of changes in equity for the year ended 31st March, 2017 – continued										
b. Other equity	Reserves and surplus						Money received against share warrants	Attributable to owners of the parent	Non-controlling interests	Total
	General reserve	Capital reserve for bargain purchase business combinations	Foreign currency monetary items translation difference account	Debenture redemption reserve	Retained earnings	Total				
Balance at October 1, 2015	(451.74)	-	-	-	-	(451.74)	-	(451.74)	-	(451.74)
Profit for the year	-	-	-	-	(281.80)	(281.80)	-	(281.80)	-	(281.80)
Other comprehensive income for the year, net of income tax	-	-	-	-	0.00	0.00	-	0.00	-	0.00
Total comprehensive income for the year	-	-	-	-	(281.80)	(281.80)	-	(281.80)	-	(281.80)
Payment of dividends	-	-	-	-	-	-	-	-	-	-
Additional non-controlling interests arising on acquisition	-	-	-	-	-	-	-	-	-	-
Disposal of partial interest in subsidiary	-	-	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Income tax relating to transactions with owners	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2016	(451.74)	-	-	-	(281.80)	(733.54)	-	(733.54)	-	(733.54)
Profit for the year	-	-	-	-	(15.55)	(15.55)	-	(15.55)	-	(15.55)
Other comprehensive income for the year, net of income tax	-	-	-	-	0.00	0.00	-	0.00	-	0.00
Total comprehensive income for the year	-	-	-	-	(15.55)	(15.55)	-	(15.55)	-	(15.55)
Payment of dividends	-	-	-	-	-	-	-	-	-	-
Additional non-controlling interests arising on acquisition	-	-	-	-	-	-	-	-	-	-
Disposal of partial interest in subsidiary	-	-	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-
Income tax relating to transactions with owners	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2017	(451.74)	-	-	-	(297.36)	(749.09)	-	(749.09)	-	(749.09)

13. Non-current Borrowings

(in Lakhs)

GPEL

	Non-current portion			Current maturities		
	As at 31.03.2017	As at 31.03.2016	As at 01.10.2015	As at 31.03.2017	As at 31.03.2016	As at 1.10.2015
Secured – at amortised cost						
(a) Debentures (Refer Footnote)	-	-	-	-	-	-
(b) Term loans						
From banks						
i) ICICI BANK LIMITED - First ranking mortgage/hypothecation/assignment/security interest/charge/pledge on all the moveable, immovable both present and future, all rights, titles, permits, approvals and interests of the company in, to and in respect of all the assets of the company, all clearances in relation to the project as well as in the project documents, all contractor guarantees, performance bonds and any letter of credit provided to the company, all insurance contracts, all bank accounts in relation to the project and pledge of equity shares representing 30% of the shares.	5,321.75	6,182.00	6,554.00	860.25	744.00	697.50
	-	-	-	-	-	-
	5,321.75	6,182.00	6,554.00	860.25	744.00	697.50
c) Finance lease obligations - Secured by Computer Hardware financed [Repayable in quarterly equated installments. First installment was due in July, 2011 and last installment is due in December, 2015. Rate of Interest in the range of 7.68% to 9.33 % p.a.]	-	-	-	-	-	-
	5,321.75	6,182.00	6,554.00	860.25	744.00	697.50
Less: Amount disclosed under "Other current financial liabilities"	-	-	-	(860.25)	(744.00)	(697.50)
	5,321.75	6,182.00	6,554.00	-	-	-
(d) Deposits	-	-	-	-	-	-
(e) Loans from related parties (see note 54.3)	-	-	-	-	-	-
(f) Long term maturities of finance lease obligations	-	-	-	-	-	-
(g) Liability component of compound financial instruments	-	-	-	-	-	-
(h) Other loans	-	-	-	-	-	-
Total Non-current borrowings	5,321.75	6,182.00	6,554.00	-	-	-

14. Other financial liabilities

14A. Non Current

Particulars	GPEL		
	As at 31.03.2017	As at 31.03.2016	As at 1.10.2015
Security deposits	100.00	100.00	100.00
For Premium payable on redemption of debentures	-	-	-
Total	100.00	100.00	100.00

14B. Current

Particulars	GPEL		
	As at 31.03.2017	As at 31.03.2016	As at 01.10.2015
a) Current maturities of long-term borrowings	860.25	744.00	697.50
b) Current maturities of finance lease obligations	-	-	-
c) Interest accrued but not due on borrowings	28.66	35.75	40.41



d) Interest accrued and due on borrowings	-	-	-
f) Unpaid matured deposits and interest accrued thereon	-	-	-
h) Others :-			
- Payables on purchase of fixed assets	-	-	
- Security deposits	-	-	
- Payable to Capital Creditors	-	-	
- Other Payables	11.91	27.71	37.34
- Other Payables Salary & Others			
	11.91	27.71	37.34
Total	900.82	807.46	775.25

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

15. Provisions

15A. Non current

Particulars	GPEL		
	As at 31.03.2017	As at 31.03.2016	As at 01.10.2015
a) Employee benefits			
Compensated absences	2.93	3.08	3.34
Gratuity	13.70	16.56	18.01
Other post retirement benefits	-	-	-
b) Other provisions			
Provision for Contingencies	-	-	-
Total	16.63	19.64	21.35

15B. Current

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.10.2015
a) Employee benefits			
Compensated absences	0.30	0.50	0.54
Gratuity	0.38	2.82	2.72
b) Other provisions			
For wealth tax less payments [net of advance tax `xxx Lakhs (Previous year: `xxx Lakhs)]	-	-	-
For statutory dues	-	-	-
For estimated losses on onerous contracts (Refer Note 25.1)	-	-	-
Total	0.67	3.33	3.26

16. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	GPEL		
	As at 31.03.2017	As at 31.03.2016	As at 01.10.2015
Deferred tax assets	783.51	329.98	49.45
Deferred tax liabilities	-	-	-
Net	783.51	329.98	49.45

17. Other liabilities

17B. Current

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.10.2015
a) Advances from customers	-	1,145.65	1,086.66
b) Customers' balances and advances for supplies and services to be rendered	-	-	-
c) Statutory remittances	7.96	6.77	5.10
d) Others			
- Gratuity Fund Payable	-	-	-
- Other Payables	-	-	-
- Deferred revenue	-	-	-
Total	7.96	1,152.42	1,091.76

18. Current Borrowings

	GPEL		
	As at 31.03.2017	As at 31.03.2016	As at 01.10.2015
Unsecured - at amortised cost			
a) Loans from other parties			
Repayable on Demand - from Holding Company	353.06	326.70	309.92
Repayable on Demand - from Related party			
Total	2,426.16	1,082.88	-
Secured - at amortised cost	2,779.22	1,409.58	309.92
a) Loans repayable on demand			
- from banks	-	-	-
Repayable on demand - Cash credit from consortium of banks against hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and trade receivables.	-	-	-
Repayable on demand - From Holding Company	-	-	-
Total	-	-	-
Total	2,779.22	1,409.58	309.92

19. Trade payables**19A Current**

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.10.2015
Trade payables			
- Related Parties	-	-	-
- Others	12.64	10.53	12.54
Total	12.64	10.53	12.54

20. Current tax assets and liabilities

	GPEL		
	As at 31.03.2017	As at 31.03.2016	As at 01.10.2015
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-	-
Tax refund receivable	13.53	13.90	6.64
Others [describe]	-	-	-
Total	13.53	13.90	6.64
Current tax liabilities			
Income tax payable	-	-	-
Others [describe]	-	-	-
Current Tax Assets (current portion)	-	-	-
Current Tax Assets (non-current portion)	-	-	-



21. Revenue from operations

The following is an analysis of the Group's revenue for the year from continuing operations (excluding other income – see note X).

Particulars	GPEL	
	Year ended 31st Mar., 2017	Year ended 31st Mar., 2016
a) Sales		
Sale of products		
i) Sale of Energy	1,053.91	217.42
ii) Traded Good	-	-
Total (a)	1,053.91	217.42
b) Other operating revenues		
i) Scrap Sales	-	-
ii) REC Income	-	84.59
iii) Others		
Total (b)	-	84.59
Total (a + b)	1,053.91	302.00

22. Other Income

Particulars	GPEL	
	Year ended 31st Mar., 2017	Year ended 31st Mar., 2016
i) Bank deposits	66.76	35.67
ii) Inter-corporate deposit	-	-
iii) Income Tax refund	8.32	-
Total (a)	75.07	35.67

23. Employee benefits expense

Particulars	GPEL	
	Year ended 31st Mar., 2017	Year ended 31st Mar., 2016
i) Salaries and Wages	52.55	23.86
ii) Contribution to provident and other funds	4.31	2.58
iii) Staff Welfare Expenses	1.43	0.49
Total	58.29	26.93

24. Finance costs

Continuing operations		
(a) Interest costs :-		
i) Interest on loans, Deposits & Advances	293.05	113.00
ii) Interest on bank Term Loans	729.47	430.98
iii) Processing Fees	-	80.15
iv) Bank Charges	0.01	0.01
Total interest expense for financial liabilities not classified as at FVTPL	1,022.53	624.14

25. Depreciation and amortisation expense

i) Depreciation of property, plant and equipment pertaining to continuing operations	354.64	193.64
Total depreciation and amortisation pertaining to continuing operations	354.64	193.64

26. A. Other expenses

Particulars	GPEL	
	Year ended 31st Mar., 2017	Year ended 31st Mar., 2016
a) Consumption of stores and spare parts	16.31	3.26
b) Water Royalty	61.10	16.50
c) Processing charges	-	-
d) Power and fuel	1.35	1.07
e) Transportation, freight, handling and other charges	0.03	0.13
h) Repairs to :		
i) Buildings	6.59	0.05
ii) Plant and machinery	7.58	3.60
iii) Water Canal & Others	10.55	0.17
	24.73	3.82
i) Insurance	28.40	16.25
j) Rates and taxes (excluding taxes on income)	1.89	1.41
k) Printing & Stationery	0.06	0.00
l) Legal and professional charges	18.56	7.44
m) Travelling and conveyance	1.16	0.58
n) Directors Sitting Fees	6.79	2.98
o) Miscellaneous expenses	0.17	0.00
Total	160.53	53.44
a) To Statutory auditors		
i) For audit	2.07	1.87
ii) For taxation matters	-	-
iii) For company law matters	-	-
iv) For other services	-	-
v) For reimbursement of expenses	-	-
Total	2.07	1.87

27. Income taxes relating to continuing operations**27.1 Income tax recognised in profit or loss**

Particulars	GPEL	
	Year ended 31st Mar., 2017	Year ended 31st Mar., 2016
Current tax		
In respect of the current year	-	-
In respect of prior years	-	-
Others [describe]	-	-
Deferred tax		
In respect of the current year	(453.53)	(280.54)
Deferred tax reclassified from equity to profit or loss	-	-
Adjustments to deferred tax attributable to changes in tax rates and laws	-	-
Write-downs (reversals of previous write-downs) of deferred tax assets	-	-
Others [describe]	-	-
Total income tax expense recognised in the current year relating to continuing Operations	(453.53)	(280.54)
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	(469.08)	(562.34)
Income tax expense recognised in profit or loss (relating to continuing operations)	-	-



27.2 Income tax recognised in other comprehensive income		
Others	-	-
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit obligation	(0.54)	(2.70)
Others [describe]	-	-
Total (A)	(0.54)	(2.70)
Arising on income and expenses reclassified from equity to profit or loss:		
Relating to designated portion of derivatives in cash flow hedges	-	-
Relating to financial assets measured at fair value through other comprehensive income	-	-
On disposal of a foreign operation	-	-
On related hedging instrument entered into to hedge the net investment in the said foreign operation	-	-
Total (B)	-	-
Total income tax recognised in other comprehensive income (A+B)	(0.54)	(2.70)

28 Gratuity

	MARCH 31, 2017	MARCH 31, 2016
a) Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	19.38	25.86
Benefits earned during the year		-
Current Service Cost	0.96	1.03
Interest Cost	1.57	2.06
Past Service Cost - Vested Benefit		
Benefits Paid	(3.29)	(5.91)
Actuarial (Gain) / Loss on Obligation - Due to change in Demographic Assumptions	(0.47)	
Actuarial (Gain) / Loss on Obligation - Due to change in Demographic Assumptions	(0.86)	(0.16)
Actuarial (Gain) / Loss on Obligation - Due to change in Demographic Assumptions	0.84	(3.50)
Present value of the obligation at the end of the year	18.13	19.38
b) Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Actuarial Gain / (Loss) on Plan Assets	-	-
Contributions by the Employer	4.00	-
Benefits Paid	-	-
Return on Plan Assets	0.06	
Fair value of Plan Assets at the end of the year	4.06	-
c) Amounts Recognised in the Balance Sheet		
Present value of Obligation at the end of the year	18.13	19.38
Fair value of Plan Assets at the end of the year	-	-
Net Obligation at the end of the year	18.13	19.38
d) Amounts Recognised in the Statement of Profit & Loss		
Current Service Cost	0.96	0.00
Interest cost on Obligation	1.57	2.06
Expected return on Plan Assets	-	-
Net Actuarial (Gain) / Loss recognised in the year	(0.54)	(3.65)
Past Service Cost - Vested Benefit recognised in the year	-	-
Expenses recognized in Profit & Loss Account	2	(1)
e) Actual return on Plan Assets		
Expected return on Plan Assets	-	-
Actuarial Gain / (Loss) on Plan Assets	-	-
Actual return on Plan Assets	-	-

f) Actuarial Assumptions		
i) Discount Rate	7.66%	8.08%
ii) Expected Rate of Return on Plan Assets	-	-
iii) Salary Escalation Rate	4.00%	5.00%
iv) Attrition Rate	1.00%	2.00%
v) Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

28.1 Above disclosures have been made on the basis of certificate received from the actuary.

28.2 Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

29 Fair Value Disclosures

Rs. in Lakhs

a) Categories of Financial Instruments:	March 31, 2017			March 31, 2016			October 1, 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Investments									
Loans									
Trade Receivables			86.44			12.45			32.47
Cash & Bank Balances			35.87			529.18			0.15
Bank balances other than above			956.17			895.73			837.09
Other Financial Assets			455.90			738.60			878.96
	-	-	1,534.38	-	-	2,175.96	-	-	1,748.67
Financial liabilities									
Borrowings			5,321.75			6,182.00			6,554.00
Trade Payables			12.64			10.53			12.54
Other Financial Liabilities			900.82			807.46			775.25
	-	-	6,235.21	-	-	6,999.99	-	-	7,341.79

30 Capital Management

The Company aims to optimise returns to shareholders and safeguard its ability to continue as a going concern and manage its capital effectively. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs and long-term operating plans. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics. The capital structure of the Company consists of net debt (borrowings as detailed in notes 13, 18, 9 (A)(B) and 27 offset by cash and bank balances) and total equity and financial liability in respect of preference share capital of the Company.

	Rs. in Lakh		
The capital components of the Company are as given below:	March 31, 2017	March 31, 2016	October 1, 2015
Total Equity	4,154.15	4,169.16	4,448.26
Short Term Borrowings	2,779.22	1,409.58	309.92
Long Term Borrowings	5,321.75	6,182.00	6,554.00
Current Maturities of Long Term Borrowings	860.00	744.00	698.00
Total Debt	8,960.97	8,335.58	7,561.92
Cash & Cash equivalents	35.87	529.18	0.15
Bank balances other than above	956.17	895.73	837.09
Net Debt	7,968.93	6,910.67	6,724.68
Debt Equity ratio	1.49	1.66	1.63
Debt Equity Ratio = Long Term Borrowings (including current maturities) / Equity Shareholders Fund			



31 Financial risk management objectives

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial assets include loans, trade receivables, cash and cash equivalents that comes directly from its operations and financial liabilities comprises of borrowings, trade and other payables, and financial guarantee contracts. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks.

32 Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, loans and borrowings.

The finance department undertakes management of cash resources, borrowing mechanism and ensuring compliance with market risk limits.

33 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and bank balance and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The Company do not have credit lines as at the end of the reporting period.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Rs. in Lakh

Maturities of Financial Liabilities	March 31, 2017			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	2779.22	2139.00	2511.00	671.75
Trade Payables	8.84	3.80	0.00	0.00
Other Financial Liabilities (including current maturities of long term borrowings)	900.82	0.00	0.00	0.00
	3688.88	2142.80	2511.00	671.75

Rs in Lakh

Maturities of Financial Liabilities	March 31, 2016			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	1409.58	1883.25	2325.00	1973.75
Trade Payables	0.65	9.88	0.00	0.00
Other Financial Liabilities (including current maturities of long term borrowings)	807.46	0.00	0.00	0.00
	2217.69	1893.13	2325.00	1973.75

Rs in Lakh

Maturities of Financial Liabilities	October 1, 2015			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	309.92	1743.75	2232.00	2578.25
Trade Payables	6.88	5.66	0.00	0.00
Other Financial Liabilities (including current maturities of long term borrowings)	775.25	0.00	0.00	0.00
	1092.05	1749.41	2232.00	2578.25

34 Interest Rate Risk and Sensitivity Analysis

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company is not significantly exposed to interest rate risks.

35 Related Party Disclosures:**A Names of the related parties and description of relationship**

- I) Holding Company
Gokak Textiles Limited
- II) Trusts
Gokak Falls Education & Medical Trust
- III) Associate Companies
Shapoorji Pallonji Infrastructure Capital Company Private Limited
Shapoorji Pallonji Energy (Gujarat) Private Limited
Shapoorji Pallonji & Company Private Limited
- IV) Key Managerial Personnel
Mr. Sachin Kulkarni Managing Director (resigned wef 16.05.2016)
Mr. Ramesh R. Patil Whole Time Director (appointed wef 08.09.2016)
Mr. Mukundan Srinivasan Chairman
Mr. C. G. Shah Director
Mr. Kaiwan Kallyaniwalla Director
Mr. Pradip Kapadia Director
Mr. Vikram Nagar Whole Time Director (Appointed wef 21.06.2016-08.09.2016)

B Particulars of transaction with Related Parties

(Amount in Lakhs)

Nature of Transactions	Holding Company	Trusts	Associate Companies	Key Managerial Personnel	Total
Sales (including Electricity Tax)	502.74	-	-	-	502.74
Previous Year (including Electricity Tax)	199.08	-	-	-	199.08
Interest Expenses	67.78	-	225.27	-	293.04
Previous Year	92.04	-	20.95	-	112.99
Advances/Loan Taken	-	-	1,158.00	-	1,158.00
Previous Year	-	-	1,366.00	-	1,366.00
Directors Sitting Fees	-	-	-	5.90	5.90
Previous Year	-	-	-	2.60	2.60
Reimbursement of Expenditure	1.14	0.76	-	-	1.90
Previous Year	0.49	0.21	-	-	0.70
Deposit Payable	100.00	-	-	-	100.00
Previous Year	100.00	-	-	-	100.00
Receivables	11.46	-	-	-	11.46
Previous Year	-	-	-	-	-
Payables	-	0.03	2,779.22	-	2,779.25

- 36 Disclosure of Trade Payables under current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro Small and Medium Enterprises Development Act, 2006". Amounts overdue as on March 31, 2017 to Micro, Small and Medium Enterprises on account of Principal amount together with interest, aggregate to Rs. Nil (Previous year Rs. Nil)
- 37 In the opinion of the Management, the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for depreciation and all liabilities is adequate and not in excess of the amount reasonably necessary.



38 Earning per share is calculated by dividing the Profit / (Loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below:

Particulars	MARCH 31, 2017	MARCH 31, 2016
Net Profit after Tax for the year (Rs.)	(15.56)	(281.80)
Weighted average number of Equity Shares outstanding	490.00	490.00
Nominal Value of Share (Rs.)	10.00	10.00
Earnings Per share (Basic and Diluted) (Rs.)	(0.03)	(0.58)

39 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101

- I. Reconciliation of Balance Sheet as at October 1, 2015 (transition date)
- II. Reconciliation of Balance Sheet as at March 31, 2016
- III. Reconciliation of Statement of Profit and Loss for the period ended March 31, 2016
- IV. Reconciliation of total comprehensive income for the period ended March 31, 2016
- V. Reconciliation of equity as at October 1, 2015 and March 31, 2016

39.1 Reconciliation of Balance Sheet as previously reported under previous GAAP to Ind AS

(Rs. in Lakh)

	Particulars	Note	Opening Balance Sheet as at October 1, 2015			Balance Sheet as at March 31, 2016		
			IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
1	Non-current assets							
	(a) Property, Plant and Equipment		11,407.44	-	11,407.44	11,213.81	-	11,213.81
	(b) Capital work-in-progress		22.36	-	22.36	22.36	-	22.36
	(c) Investment Property		-	-	-	-	-	-
	(d) Other Intangible assets		-	-	-	-	-	-
	(e) Financial Assets:		-	-	-	-	-	-
	(i) Investments		-	-	-	-	-	-
	- Investments in Subsidiaries		-	-	-	-	-	-
	- Other Investments		-	-	-	-	-	-
	(ii) Other financial assets		-	-	-	-	-	-
	(f) Tax assets		-	-	-	-	-	-
	Income tax assets (net)		49.45	-	49.45	329.98	-	329.98
			-	-	-	-	-	-
	(g) Other non-current assets		51.03	-	51.03	51.03	-	51.03
	Total Non-current assets		11,530.28	-	11,530.28	11,617.18	-	11,617.18
2	Current assets							
	(a) Inventories		15.71	-	15.71	17.83	-	17.83
	(b) Financial Assets:		-	-	-	-	-	-
	(i) Trade receivables	39.1.1	32.47	-	32.47	12.45	-	12.45
	(ii) Cash and cash equivalents		0.14	-	0.14	529.19	-	529.19
	(iii) Bank balances other than (ii) above		837.09	-	837.09	895.73	-	895.73
	(iv) Other financial assets		848.75	-	848.75	738.60	-	738.60
			-	-	-	-	-	-
	(c) Other current assets		51.90	-	51.90	43.15	-	43.15

	(d)	Assets classified as held for sale			-		-
		Total Current assets		1,786.06	-	1,786.06	2,236.94
		Total Assets		13,316.34	-	13,316.34	13,854.12
		Equity and Liabilities					
		Equity					
	(a)	Equity share capital		4,900.00		4,900.00	4,900.00
	(b)	Other equity	39.1.2	(451.74)		(451.74)	(730.84)
		Total Equity		4,448.26	-	4,448.26	4,169.16
		Liabilities					
1		Non-current liabilities					
	(a)	Financial liabilities:					
	(i)	Borrowings	39.1.3	6,554.00		6,554.00	6,182.00
	(ii)	Other financial liabilities		100.00		100.00	100.00
				-		-	
	(b)	Provisions		21.35		21.35	19.64
	(c)	Deferred Tax liability (Net)	39.1.4	-		-	-
		Total Non-current liabilities		6,675.35	-	6,675.35	6,301.64
2		Current liabilities					
	(a)	Financial liabilities:					
	(i)	Borrowings		309.92		309.92	1,409.58
	(ii)	Trade payables		-		-	10.53
	(iii)	Other financial liabilities	39.1.5	-		-	-
				-		-	-
	(b)	Provisions		3.26		3.26	3.33
	(c)	Other current liabilities		1,879.55		1,879.55	1,959.88
		Total Current Liabilities		2,192.72	-	2,192.72	3,383.32
		Total Liabilities		8,868.07	-	8,868.07	9,684.96
		Total Equity and Liabilities		13,316.34	-	13,316.34	13,854.12

Explanations for reconciliation of Balance sheet as previously reported under previous GAAP to IND AS

39.1.1 Trade Receivables

Transactions pertaining to earlier periods recorded in respective periods as required under Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

39.1.2 Other Equity

- (a) Adjustments to components of other equity on account adjustments in accordance with Ind AS as stated in other notes.
- (b) In addition, as per Ind AS 19 - Employee Benefits, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in statement of profit and loss under previous GAAP.

39.1.3 Borrowings

- (a) Adjustments include recognition of liability component of compound financial instruments (Preference Shares) in accordance with Ind AS 32 - Financial Instruments - Presentation.
- (b) Adjustment include deferral of origination fees on long term borrowings over the tenure of the borrowing in accordance with Ind AS 109 - Financial Instruments.

39.1.4 Deferred Tax Liability (Net)

Deferred tax component on adjustments relating to transactions pertaining to earlier periods and origination fees.

39.1.5 Other Financial Liabilities

Transactions pertaining to earlier periods recorded in respective periods as required under Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.



39.2 Reconciliation of Statement of Profit and Loss as previously reported under previous GAAP to Ind AS

(Rs. in Lakh)

Particulars	Note	Six Months ended March 31, 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS
I Revenue from operations		217.42		217.42
II Other income		120.26		120.26
III Total Income (I + II)	39.2.1	337.68	-	337.68
IV Expenses:				
Cost of raw materials and components consumed		-	-	-
Purchases of trading goods		-	-	-
Changes in inventories of finished goods and work-in-progress		-	-	-
Employee benefits expense	39.2.2	24.23	2.70	26.93
Finance costs	39.2.3	624.14		624.14
Depreciation and amortisation expense		193.64	-	193.64
Other expenses		55.30	-	55.30
Total expenses		897.31	2.70	900.02
V Profit before tax (III - IV)		(559.64)	(2.70)	(562.34)
VI Tax expense:				
(a) Current tax			-	-
(b) Deferred tax	39.2.4	(280.54)		(280.54)
VII Profit for the year (V - VI)		(279.10)	(2.70)	(281.80)
VIII Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss				
Remeasurement of the defined benefit plans (net of tax)	39.2.2		2.70	2.70
(b) Items that may be reclassified to profit or loss		-	-	-
Total other comprehensive Income, net of tax		-	2.70	2.70
IX Total Comprehensive Income for the period (VIII + IX)		(279.10)	-	(279.10)

Explanations for reconciliation of Statement of Profit and Loss as previously reported under previous GAAP to IND AS

39.2.1 Revenue

Transactions pertaining to earlier periods recorded in respective periods as required under Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

39.2.2 Employee benefit expenses

As per Ind AS 19 - Employee Benefits, actuarial gains and losses on defined benefit obligations are recognized in 'other comprehensive income' as compared to being recognized under 'employee benefit expenses' under previous GAAP.

39.2.3 Finance Costs

Adjustments include interest on financial liability component of compound financial instrument as per Ind AS 32 and adjustment on account of reversal of origination fees on long term borrowings in accordance with Ind AS 109.

39.2.4 Deferred Tax

Deferred tax component on adjustments relating to transactions pertaining to earlier periods and origination fees. Further, deferred tax on actuarial gains and losses recognised in 'other comprehensive income'.

39.3 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

GOKAK POWER & ENERGY LIMITED
ANNEXURE II

(a) Reconciliation of Standalone and Consolidated Statement of Profit and Loss as previously reported under IGAAP and Ind As

Particulars	STANDALONE
	Year ended 31-03-2016
Profit and Loss After Tax as per previous GAAP	(279.10)
Interest on liability component of compound financial instruments	-
Prior period errors	-
Other Ind AS adjustments	(2.70)
Total adjustments to equity	(2.70)
Profit and Loss After Tax as per Ind AS	(281.80)

(b) Reconciliation of Standalone and Consolidated Statement of Equity as previously reported under IGAAP and Ind As

Particulars	Rs. in lakh	
	31 March 2016 Standalone	01 Oct 2015 Standalone
Total Equity and Reserves (shareholders' funds) under previous GAAP	4,169.16	4,448.26
Liability component of compound financial instruments	-	-
Prior period errors	-	-
Interest on liability component of compound financial instruments	-	-
Other Ind AS adjustments -processing fees on borrowings (net of tax)	-	-
Total adjustments to equity	-	-
Total Equity & Reserves under Ind AS	4,169.16	4,448.26