



**BOARDS' REPORT  
AND  
FINANCIAL STATEMENTS OF  
GOKAK POWER & ENERGY LIMITED  
FOR THE YEAR ENDED MARCH 31, 2020**

Directors	:	Mukundan Srinivasan	- Chairman (upto August 24, 2020)
		Ramesh R. Patil	- Wholetime Director
		Pradip N. Kapadia	- Independent Director
		Chandrakant G. Shah	- Non-Executive Director
		Nikhil J. Bhatia	- Independent Director
Chief Financial Officer	:	Avadhut Sarnaik	
Company Secretary & Compliance Officer	:	Rakesh M. Nanwani	
Statutory Auditors	:	Batliboi & Purohit, Chartered Accountants	
Bankers	:	ICICI Bank Limited	
Hydro Power House	:	Gokak Falls-591 308 (District Belagavi - Karnataka)	
D J Madan Power House	:	Dupdhal, Taluka : Gokak Dist. Belagavi, Karnataka	
Registered Office	:	#1, 2nd Floor, 12th Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Bengaluru – 560 098	
CIN	:	U40103KA2012PLC062107	
GSTIN	:	29AAECG7331B1ZU	



## Report of Board and Management Discussion & Analysis

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 ended March 31, 2020.

### 1. Financial Results and State of Company's Affairs

(₹ in Lakhs)

	Particulars	For the Financial Year 01.04.2019 to 31.03.2020	For the Financial Year 01.04.2018 to 31.03.2019
(a)	Gross Revenue	874.32	1,536.26
	Less: Costs	222.69	241.74
(b)	Balance	651.63	1,294.52
	Less Interest	847.36	854.74
(c)	Cash Profit / (Loss)	(195.73)	439.78
	Less Depreciation	354.53	354.42
(d)	Profit / Loss (after depreciation carried to balance sheet)	(550.26)	85.36
	Less: Deferred Tax	-	-
	Other Comprehensive (Income) / Expense	(0.08)	3.91
(e)	Net Profit/ (Loss)	(550.34)	89.27

### 2. Operations

During the year under review, your Company has recorded gross income of ₹ 874.32 lakhs (previous year ₹ 1,536.26 lakhs) and net loss for the year of ₹ (550.26) lakhs (previous year net profit ₹ 85.36 lakhs). During the year 2019-20, entire powerhouse of 8.0 MW situated in Gokak Falls was submerged due to an unprecedented flood on August 7, 2019, which has greatly affected the financials of the Company. Out of 8 MW, 4.5 MW set has been repaired and restored for power generation in the month of February 2020. Out of remaining 3.5 MW old hydro power plants, 2.5 MW has been repaired and commissioned in June 2020. Remaining 1 MW plant is heavily damaged and requires major repair, the repair work is under progress and expected to start by October 2020. Total loss of generation was around 54.8% with respect to the annual budget which comes to around 170 lakhs unit worth around ₹6.5 Cr.

The Company has originally estimated the repair and replacement cost of approximately ₹ 3.29 Cr, which was revised to ₹ 2.70 Crores. The management is of the opinion that significant portion of the repairs and replacement cost incurred will be recovered through insurance claim, however the entire claim is not lodged with the insurance Company. The Company has received an advance amount of ₹ 100 lakhs from the Insurance Company towards the expenses incurred on repairs. The Company has recorded provision for expenses of ₹ 19.97 lakhs for work completed over and above the advance insurance claim received and the balance work is in progress and then the entire claim will be launched.

In addition to the damage of the plant and machinery of the power plant, the canal system was also damaged due to deluge of floods. The complete assessment of extent of damage will be carried out after the reduction of water levels. The canal system is insured with The Oriental Insurance Company under a Fire, Flood and Earthquake policy and the quantum of claim versus the expenses and the impact on the accounts will be known once the canal is dry and empty, though the management expects limited or no impact on the profit and loss accounts.

**3. Outlook**

As per the forecast by India Meteorological Department, it is expected the monsoon will be normal for this year. The reservoirs will be full and water will be available from the Hidkal Dam for the whole year for the power generation. Also the Company will put all efforts to maximize the power generation through efficient management and proper maintenance of the plant and achieve almost equivalent to the total production capacity.

**4. Share Capital**

The paid up equity share capital of the Company as on March 31, 2020 was ₹ 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**

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. Holding Company / Subsidiary Company/Joint venture/Associate**

The Company is subsidiary of Gokak Textiles Limited, which holds 51 % of the paid-up share capital. Gokak Textiles limited is engaged in the business of textiles, manufacturing cotton yarn, blended yarn, fabrics, terry towels, t-shirts, undergarments, etc.

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

**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. Nikhil J. Bhatia # (DIN: 00414281)	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

@ Ceased to be Director with effect from August 24, 2020

# Appointed as Director with effect from May 16, 2019.

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

Mr. Nikhil Bhatia was appointed as an Additional and Independent Director of the Company with effect from May 16, 2019. His appointment as an Independent Director for a period of 5 years was approved by the Shareholders at the Annual General Meeting held on September 20, 2019.

Mr. Ramesh R. Patil was re-appointed as whole-time Director for a further term of three years commencing from September 08, 2019 by the shareholders at the Annual General Meeting held on September 20, 2019.

Based on the recommendations of the Nomination and Remuneration Committee and subject to approval of the Shareholders at the ensuing Annual General Meeting, the Board of Directors approved re-appointment of Mr. Pradip N. Kapadia as Independent Director for second term of 5 years commencing from December 28, 2020.

Mr. Mukundan Srinivasan, Director of the Company on account of his other commitments resigned from the Directorship of the Company with effect from August 24, 2020. The Board places on record its appreciation for the valuable services rendered by Mr. Mukundan Srinivasan to the Board and the Company during their tenure as Chairman of the Board / Director of the Company.

Key Managerial Personnel of the Company are Mr. Ramesh R Patil, Wholetime Director, Mr. Rakesh M. Nanwani, Company Secretary and Mr. Avadhut Sarnaik, Chief Financial Officer.

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. 4 Meetings were held during the financial year ended March 31, 2020 i.e. on May 23, 2019; July 26, 2019; November 09, 2019 and February 14, 2020. 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, 2020	
		Held	Attended
1.	Mr. Mukundan Srinivasan@	4	2
2.	Mr. Chandrakant G. Shah	4	4
3.	Mr. Nikhil J. Bhatia #	4	4
4.	Mr. Pradip N. Kapadia	4	4
5.	Mr. Ramesh R. Patil	4	4

@ Ceased to be Director with effect from August 24, 2020

# Appointed as Director with effect from May 16, 2019.

## 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.

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

Sr. No	Name of the Director	Category
1	Mr. Nikhi J. Bhatia - Chairman # (DIN: 00414281)	Non-Executive Independent
2	Mr. Chandrakant G. Shah (DIN: 00002358)	Non-Executive Non-Independent
3	Mr. Pradip N. Kapadia (DIN:00078673)	Non-Executive Independent

# Appointed as Director and Chairman of Audit committee with effect from May 16, 2019.

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 Company Secretary also functions as Compliance Officer.

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. 4 Meetings were held during the financial year ended March 31, 2020 i.e. on May 23, 2019; July 26, 2019; November 09, 2019 and February 14, 2020.

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

Sr. No	Name of the Directors	Number of Audit Committee Meetings held during the Financial year ended March 31, 2020	
		Held	Attended
1.	Mr. Nikhil J. Bhatia - Chairman #	4	4
2.	Mr. Chandrakant G. Shah	4	4
3.	Mr. Pradip N. Kapadia	4	4

# Appointed as Director and Chairman of Audit committee with effect from May 16, 2019.

#### 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.
- 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 Director/ Key Managerial Personnel i.e background details, past remuneration, recognition or awards, job profile, etc., shall be considered and disclosed to Shareholders, whenever required.

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

Sr. No	Name of the Director	Category
1	Mr. Nikhil J. Bhatia - Chairman # (DIN: 00414281)	Non-Executive Independent
2	Mr. Chandrakant G. Shah (DIN: 00002358)	Non-Executive Non-Independent
3	Mr. Pradip N. Kapadia (DIN:00078673)	Non-Executive Independent

# Appointed as Director and Chairman of Nomination and Remuneration Committee with effect from May 16, 2019.

One (1) Meeting was held during the financial year ended March 31, 2020 i.e. on May 23, 2019.

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

Sr. No	Name of the Directors	Number of Nomination and Remuneration Committee Meetings held during the Financial year ended March 31, 2020	
		Held	Attended
1.	Mr. Nikhil J. Bhatia- Chairman #	1	1
2.	Mr. Chandrakant G. Shah	1	1
3.	Mr. Pradip N. Kapadia	1	1

# Appointed as Director and Chairman of Nomination and Remuneration Committee with effect from May 16, 2019.

## 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.

In the opinion of the Board the Independent Director appointed during the FY 2019 – 2020 has the requisite integrity, expertise and experience (including the proficiency) as required in the Board.

**13. Particulars of Employees**

During the financial year 2019 - 20, the Company did not have any employee who was in receipt of remuneration in aggregate not less than ₹ 1.02 crores p.a if employed through the financial year and in aggregate not less than ₹ 8.50 lakhs p.m if employed for part of financial year.

**14. Auditors and Auditors Report :**

**(a) Statutory Auditors**

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Batliboi & Purohit, Chartered Accountants (ICAI Firm Registration no. 101048W) were appointed as the Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of the 6<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company.

The Audit Report of the Statutory Auditors forms part of the Annual Report. The Auditors' Report does not contain any qualification. Notes to Accounts and Auditor's remarks in their report are self-explanatory and do not call for any further comments.

**(b) Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has appointed KDSH & Associates LLP, Company Secretaries, to conduct Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as **Annexure I** to this Report. The Report of the Secretarial Auditor of the Company does not contain any qualification, reservation or adverse remark or disclaimer.

**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 has 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 II** 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 III**



**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.	a	Re-Insulation done in one more 500 kilowatt power generation set was completed, which will result in improved efficiency of generator.
		b	Water leakages in the canal were repaired to stop wastage of water, thereby using the same water for power generation. This is an ongoing process and it will be continued.
		c	Replacing of old sodium vapor lamp & tube lights by LED lamps @40 nos. in all our power plants is completed.
(ii)	The steps taken by the Company for utilizing alternate sources of energy.	The Company has its own Hydro-Generation.	
(iii)	The capital investment on energy conservation equipments.	NIL	

**(b) Technology absorption :**

(i)	the efforts made towards technology absorption	Nil
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(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	
(iv)	the expenditure incurred on Research and Development	

**(c) Foreign exchange earnings and outgo : NIL****21. Human Resources :**

Human resource is the most important resource for your Company and this resource has been provided opportunity for self-development and provided very good working and social environment to attract and retain the talent.

The employee relations have been very cordial and this has helped put forth sustained efforts even during challenging period to achieve the desired output of the plant.

**22. Directors' Responsibility Statement:**

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

- a. in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- b. 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;
- c. 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;
- d. they have prepared the annual accounts, on a going concern basis;
- e. 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
- f. 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. Internal Financial Control and their adequacy:**

The Company has Internal Control systems, which ensure that all transactions are satisfactorily recorded and reported and all assets are protected against loss from an unauthorized use or otherwise. The internal control systems are supplemented by an internal audit system carried out by independent firm of Chartered Accountants and a periodical review by the management. The findings of such Internal Audits are addressed through suitable corrective measures. The Audit Committee of the Board meets at regular intervals and advises on significant issues raised by, both, the Internal Auditors and the Statutory Auditors. The process of internal control, systems, statutory compliance, risk analysis, information technology and its management are woven together to provide a meaningful support to the management of the business.

Batliboi & Purohit, Chartered Accountants, the statutory auditors of the Company have audited the financial statements included in this annual report and have issued report, inter alia, on the internal financial controls over financial reporting as defined under section 143 of the Companies Act, 2013.

**24. Risk Management Policy:**

The Company recognizes that risk is an integral part of business. The Company has developed and implemented a 'Risk Management Policy' as per which the Directors themselves periodically assess risks in the internal and external environment as also elements of risk, if any, which may threaten the existence of the Company.

The main objective of this plan is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the plan establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, Competition, Business risk, Technology obsolescence, retention of talent and expansion of facilities.



As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

#### **25. Details Of Fraud Report By Auditor:**

There have been no instances of fraud reported by the Statutory Auditor of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Company or to the Central Government.

#### **26. Corporate Social Responsibility Committee (CSR)**

The provisions of section 135 of the Companies Act, 2013 are not presently applicable to the Company.

#### **27. Statutory Compliances**

The Company has ensured necessary compliance with the requirements of the Companies Act, 2013 and other authorities and the details of non-compliance and penalties are not applicable. The Company follows all relevant Accounting Standards. The Company as compiled with all the Secretarial Standards (SS) issued by The Institute of Company Secretaries of India.

#### **28. Acknowledgements :**

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**

Place : Mumbai,  
Date : August 20, 2020

**S Mukundan**  
Chairman  
DIN: 00276429

#### **Registered Office:**

#1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross, Ideal Homes,  
Near Jayanna Circle, Rajarajeshwari Nagar,  
Bengaluru- 560 098

## Form No.MR-3

**SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**FOR THE FINANCIAL YEAR ENDED: 31<sup>st</sup> March, 2020**

To,  
The Members,

**GOKAK POWER & ENERGY LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GOKAK POWER & ENERGY LIMITED (CIN: U40103KA2012PLC062107)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;-Not Applicable
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment and overseas direct investment and External Commercial Borrowings. (No such transaction took place during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -Not Applicable
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;- Not Applicable
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; -Not Applicable
  - d) The Securities and Exchange Board of India ((Share Based Employee Benefits) Regulations, 2014; -Not Applicable
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -Not Applicable
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -Not Applicable
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -Not Applicable
  - i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; -Not Applicable
- vi. Other laws applicable specifically to the Company namely:
 

Labour Laws

  - a) The Factories Act, 1948
  - b) The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
  - c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952
  - d) The Employees State Insurance Act, 1948
  - e) The Payment of Wages Act, 1936
  - f) The Child Labour (Regulation & Abolition) Act, 1970
  - g) The Contract Labour (Regulation & Abolition) Act, 1970



- h) The Shops & Establishments Act, 1961
- i) The Industrial Establishments (National and Festival Holidays) Act, 1963
- j) The Karnataka Daily Wage Employees Welfare Act, 2012
- k) The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- l) The Industrial Disputes Act, 1947
- m) The Minimum Wages Act, 1948
- n) The Maternity Benefit Act, 1961
- o) Payment of Bonus Act, 1965

#### Environmental Laws

- a) The Water (Prevention & Control of Pollution) Act, 1974
- b) The Air (Prevention & Control of Pollution) Act, 1981

The Company is not discharging the contaminated water at the public drains/rivers. The Company has efficient water treatment plants at its factory premises.

The Company has been disposing the hazardous waste as per applicable rules.

#### Power Sector

- a) The Electricity Act, 2003
- b) National Tariff Policy
- c) Essential Commodities Act, 1955

#### **We have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting i.e SS-1 and SS-2.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc.

We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members.
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and Committee meetings of Directors;
- f) The Meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) The Annual General Meeting held on 20<sup>th</sup> September, 2019;
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Whole-time Director;
- k) Payment of remuneration to Directors including the Whole-time Directors;
- l) Appointment and remuneration of Auditors and Cost Auditors;
- m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- o) Investment of the Company's funds including investments and loans to others;
- p) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- q) Board's Report;
- r) Contracts, common seal, registered office and publication of name of the Company;
- s) Generally, all other applicable provisions of the Act and the Rules made under the Act.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bangalore  
Date: June 29, 2020

For **KDSH & Associates LLP**

Kiran Desai  
Designated Partner  
FCS10056| CP No: 12924

\* This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this Report.

**'Annexure A'**

To,  
The Members,  
**Gokak Power & Energy Limited**  
CIN: U40103KA2012PLC062107  
#1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross Ideal Homes,  
Near Jayanna Circle, Rajarajeshwari Nagar  
Bangalore-560098

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/Whole-time Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws and Environment laws.
8. We further report that the Compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

Place: Bangalore  
Date: June 29, 2020

For **KDSH & Associates LLP**

Kiran Desai  
Designated Partner  
FCS10056| CP No: 12924

**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)**

**Forms 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-2019 to 31-March-2020
	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 ₹ 4.23 + ₹0.20 (electricity duty) for every unit of power transferred, subject to conditions laid out in the agreement
	e.	Dates 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**

Place : Mumbai,  
Date : August 20, 2020

**S Mukundan**  
Chairman  
DIN: 00276429

**Form No.MGT-9**  
**EXTRACT OF ANNUAL REPORT**  
**For the financial year ended 31<sup>st</sup> March, 2020**  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

1.	CIN	U40103KA2012PLC062107
2.	Date of Incorporation	17.01.2012
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	#1, 2 <sup>nd</sup> Floor, 12 <sup>th</sup> Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Benagluru - 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 #1, 2 <sup>nd</sup> Floor, 12 <sup>th</sup> Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Benagluru - 560 098	L17116KA2006PLC038839	Holding	51%	2 (46)





#### 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 01.04.2019				No. of Shares held at the end of the year i.e 31.03.2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(1)</b>	<b>A. Promoters</b>									
(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	48,999,940	60	49,000,000	100.00	48,999,940	60	49,000,000	100.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Promoter Group – Body Corporate)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A) (1)</b>	<b>48,999,940</b>	<b>60</b>	<b>49,000,000</b>	<b>100.00</b>	<b>48,999,940</b>	<b>60</b>	<b>49,000,000</b>	<b>100.00</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>									
(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
	<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>48,999,940</b>	<b>60</b>	<b>49,000,000</b>	<b>100.00</b>	<b>48,999,940</b>	<b>60</b>	<b>49,000,000</b>	<b>100.00</b>	<b>0.00</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(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)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0.00	0	0	0	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	0	0	0	0.00	0	0	0	0.00	0.00
(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
	<b>Sub-total (B) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>48,999,940</b>	<b>60</b>	<b>49,000,000</b>	<b>100.00</b>	<b>48,999,940</b>	<b>60</b>	<b>49,000,000</b>	<b>100.00</b>	<b>0.00</b>

ii) Share Holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2019			Shareholding at the end of the year 31.03.2020			% 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%	-	-
	<b>Total</b>	<b>4,90,00,000</b>	<b>100%</b>	<b>-</b>	<b>4,90,00,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>

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

Sl. No	Particulars	Shareholding at the beginning of the year as on 01.04.2019		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				
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):	There is no Promoters' Shareholding between 01.04.2019 to 31.03.2020			
3	At the end of the year				

iv) Shareholding Pattern of Top 10 Shareholders (Other than Director, Promoters and Holders of GDRS and ADRs):

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2019		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cumulative 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	Shapoor P. Mistry JT1 Gokak Textiles Ltd	10	0.00					10	0.00
				-	No Change	0	0.00	10	0.00
		-		31.03.2020	At the end of the year	-	-	10	0.00
2	Mukundan Srinivasan JT1 Gokak Textiles Ltd	10	0.00					10	0.00
				-	No Change	0	0.00	10	0.00
		-		31.03.2020	At the end of the year	-	-	10	0.00
3	Firoze Kavshah Bhatehna JT1 Gokak Textiles Ltd	10	0.00					10	0.00
				-	No Change	0	0.00	10	0.00
		-		31.03.2020	At the end of the year	-	-	10	0.00
4	Vasant N. Sanzgiri JT1 Gokak Textiles Ltd	10	0.00					10	0.00
				-	No Change	0	0.00	10	0.00
		-		31.03.2020	At the end of the year	-	-	10	0.00
5	Rahul Adeshwar Jain JT1 Gokak Textiles Ltd	7	0.00					7	0.00
				-	No Change	0	0.00	7	0.00
		-		31.03.2019	At the end of the year	-	-	7	0.00
6	K S Ballal JT1 Gokak Textiles Ltd	1	0.00					1	0.00
				-	No Change	1	0.00	1	0.00
		-		31.03.2020	At the end of the year	-	-	1	0.00



Sl. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2019		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cumulative 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
7	Ramesh R. Patil JT1 Gokak Textiles Ltd	10	0.00				0.00	10	0.00
		-		31.03.2020	No Change At the end of the year	10 -	0.00 -	10 10	0.00 0.00
8	Vikram V. Nagar JT1 Gokak Textiles Ltd	1	0.00				0.00	1	0.00
		-		31.03.2020	No Change At the end of the year	1 -	0.00 -	1 1	0.00 0.00
9	Pradeep P. Andhare JT1 Gokak Textiles Ltd	1	0.00				0.00	1	0.00
		-		31.03.2020	No Change At the end of the year	1 -	0.00 -	1 1	0.00 0.00

**v) Shareholding of Directors and Key Manegerial Personnel :**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Date	Reason	Purchase of Shares/ Decrease in Shareholding		Cummulative 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	Ramesh R. Patil JT 1 Gokak Textiles Limited	10	0.00		At the end of the year			10	0.00
				-	Increase	0	0.00	10	0.00
				31.03.2020	At the end of the year	-	-	10	0.00
2	Mukundan Srinivasan JT 1 Gokak Textiles Limited	10	0.00					10	0.00
				-	No Change	0	0.00	10	0.00
				31.03.2020	At the end of the year	-	-	10	0.00
3	Nikhil J. Bhatia (w.e.f May 16, 2019)	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2020	At the end of the year	-	-	0	0.00
4	Pradip N. Kapadia	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2020	At the end of the year	-	-	0	0.00
5	Chandrakant G. Shah	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2020	At the end of the year	-	-	0	0.00
6	Rakesh M. Nanwani	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2020	At the end of the year	-	-	0	0.00
7	Avadhut Sarnaik	0	0.00						0.00
				-	No Change	0	0.00	0	0.00
				31.03.2020	At the end of the year	-	-	0	0.00

**V) INDEBTEDNESS**

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	4,298.75	3,993.91	100.00	8,392.66
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,298.75</b>	<b>3,993.91</b>	<b>100.00</b>	<b>8,392.66</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	1,622.34	-	1,622.34
• Reduction	1,116.00	-	-	1,116.00
Net Change	(1,116.00)	1,622.34	-	(322.51)
<b>Indebtedness at the end of the financial Year</b>				
i. Principal Amount	3,182.75	5,616.25	100.00	8,899.00
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,182.75</b>	<b>5,616.25</b>	<b>100.00</b>	<b>8,899.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sl. No.	Particulars of Remuneration	Fees for attending Meetings	Commission Board/ Committee	Others please specify	Total
1.	Mr. S. Mukundan	40,000	-	-	40,000
2.	Mr. C. G. Shah	1,30,000	-	-	1,30,000
3.	Mr. Pradip N. Kapadia	1,40,000	-	-	1,40,000
4.	Mr. Nikhil J. Bhatia #	1,40,000	-	-	1,40,000
	<b>Total</b>	<b>4,50,000</b>	-	-	<b>4,50,000</b>

# Appointed as Director w.e.f. May, 16, 2019

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]	Appeals made if any
<b>A.</b>	<b>Company</b> Penalty Punishment Compounding		None and Not Applicable		
<b>B.</b>	<b>Directors</b> Penalty Punishment Compounding		None and Not Applicable		
<b>C.</b>	<b>Other Officers in Default</b> Penalty Punishment Compounding		None and Not Applicable		

## INDEPENDENT AUDITOR'S REPORT

To the Members of Gokak power & Energy Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Gokak Power & Energy Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in

accordance with the provisions 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 adequate 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **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 in terms of Section 143(11) of the Act, we give in "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, based on our audit 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 it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year under the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations that would impact its financial position in its 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 are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**For BATLIBOI & PUROHIT**

Chartered Accountants  
ICAI Firm Reg. No.101048W

**Kaushal Mehta**

Partner  
Membership No.111749  
ICAI UDIN: 20111749AAAACM8334

Place : Mumbai  
Date: 29 June 2020



## Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of **Gokak Power and Energy Ltd** of even date)

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
  - b) As informed to us, the Company has a regular program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, fixed assets could not be physically verified by the management during the year as per the program due to floods, hence we are unable to comment on the discrepancies if any.
  - c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the Company the title deeds of immovable properties are held in the name of the Company.
- ii. The management has conducted physical verification of inventory of stores and spares at during the year. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on physical verification of inventories were not material.
- iii. The Company has not granted loans, secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us and the records examined by us, the Company has complied with the provision of section 185 and 186 of the Act with respect to loan and investments made.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013 for the Company. Accordingly, paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records, the Company, is generally regular in depositing undisputed statutory dues including provident fund, income-tax, duty of customs, employees' state insurance, Goods and service tax, professional tax, cess and other material statutory dues to the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, professional tax, cess and other material statutory dues in arrears as at year end for a period of more than six months from the date they became payable except for the details given below.

Name of statute	Nature of dues	Amount (in Rs)	Period to which it relates	Due date	Date of payment
Profession Tax, Act	Professional tax	200	July 2019	20 August 2019	25 May 2020

According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Provident Fund, employees' state insurance Income Tax, Goods and service tax, Duty of Customs, outstanding on account of any dispute.

- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to Banks. There were no outstanding loans or borrowings from any financial institutions, Government or debenture holders.
- ix. The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company 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 or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has not paid / provided any managerial remuneration as per the provisions of Section 197 read with Schedule V to the Act. Accordingly, the paragraph 3(xi) of the Order is not applicable
- 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 sections 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 Indian 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 them. Hence, the provision of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For BATLIBOI & PUROHIT**

Chartered Accountants  
Firm Reg. No.: 101048W

**Kaushal Mehta**

Partner  
Membership No: 111749  
ICAI UDIN: 20111749AAAACM8334

Place : Mumbai  
Date : 29 June 2020

## **Annexure - B to the Auditors' Report**

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the 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 2020 in conjunction with our audit of the 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 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 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' 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 the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was 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, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. 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.

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 Controls 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 Statements 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 generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial

Statements.

**Inherent Limitations of Internal Financial Controls 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 misstatements due to error or fraud may occur and not be detected. Also, projections 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 2020, 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 Institute of Chartered Accountants of India.

**For BATLIBOI & PUROHIT**

Chartered Accountants  
Firm Reg. No.: 101048W

**Kaushal Mehta**

Partner  
Membership No: 111749  
ICAI UDIN: 20111749AAAACM8334

Place : Mumbai  
Date :29 June 2020



**GOKAK POWER & ENERGY LIMITED  
BALANCE SHEET AS AT MARCH 31, 2020**

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>1 Non-current assets</b>			
a) Property, Plant and Equipment	<b>3</b>	9,812.58	10,162.80
b) Capital work-in-progress		-	10.08
		<b>9,812.58</b>	<b>10,172.88</b>
c) Financial Assets:			
i) Investments	<b>4</b>	0.26	0.26
d) Tax assets			
i) Deferred tax assets (net)		-	-
ii) Income tax assets (net)		13.93	19.28
		<b>13.93</b>	<b>19.28</b>
e) Other non-current assets	<b>8A</b>	1.00	12.18
<b>Total Non-current assets</b>		<b>9,827.77</b>	<b>10,204.60</b>
<b>2 Current assets</b>			
a) Inventories	<b>6</b>	12.09	12.84
b) Financial Assets:			
i) Trade receivables	<b>5</b>	447.38	299.65
ii) Cash and cash equivalents	<b>7A</b>	56.78	11.60
iii) Bank balances other than (ii) above	<b>7B</b>	981.18	917.50
		<b>1,485.34</b>	<b>1,228.75</b>
c) Other current assets	<b>8B</b>	26.06	41.90
<b>Total Current assets</b>		<b>1,523.49</b>	<b>1,283.49</b>
<b>Total Assets</b>		<b>11,351.26</b>	<b>11,488.09</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
a) Equity share capital	<b>9</b>	4,900.00	4,900.00
b) Other equity	<b>10</b>	(2,418.22)	(1,867.88)
<b>Total Equity</b>		<b>2,481.78</b>	<b>3,032.12</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a) Financial liabilities:			
i) Borrowings	<b>11</b>	1,973.75	3,182.75
ii) Other financial liabilities	<b>12</b>	-	100.00
		1,973.75	3,282.75
b) Provisions	<b>14</b>	1.69	2.72
<b>Total Non-current liabilities</b>		<b>1,975.44</b>	<b>3,285.47</b>

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<b>Particulars</b>	<b>Note No.</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>2 Current liabilities</b>			
a) Financial liabilities:			
i) Borrowings	<b>17</b>	5,616.25	3,993.91
ii) Trade payables	<b>18</b>		
- dues to Micro and small enterprises		-	-
- dues to other Creditors		12.72	8.41
iii) Other financial liabilities	<b>13</b>	1,246.11	1,160.32
		<b>6,875.08</b>	<b>5,162.64</b>
b) Provisions	<b>15</b>	5.78	0.27
c) Other current liabilities	<b>16</b>	13.18	7.59
<b>Total current liabilities</b>		<b>6,894.04</b>	<b>5,170.50</b>
<b>Total Liabilities</b>		<b>8,869.48</b>	<b>8,455.97</b>
<b>Total Equity and Liabilities</b>		<b>11,351.26</b>	<b>11,488.09</b>

See accompanying notes forming part of the financial statements **1 to 37**

**The notes are an integral part of the these financial statements**

As per our report of even date

**For BATLIBOI & PUROHIT**

Chartered Accountants  
Firm Reg No. 101048W

**Kaushal Mehta**

Partner  
Membership No. 111749

Place: Mumbai  
Date: June 29, 2020

**Avadhut Sarnaik**  
Chief Financial Officer  
Membership No.A27260

**Rakesh M. Nanwani**  
Company Secretary  
Membership No. A45718

**For and on behalf of the Board of Directors**

**Mukundan Srinivasan**

Chairman  
(DIN: 00276429)

**Ramesh R. Patil**

Whole-time Director  
(DIN: 07568951)

Place: Mumbai  
Date: June 29, 2020



**GOKAK POWER & ENERGY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

(₹ in Lakhs)

Particulars		Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I	Revenue from operations	19	802.95	1,471.92
II	Other income	20	71.37	64.34
III	<b>Total Income</b>		<b>874.32</b>	<b>1,536.26</b>
IV	Expenses:			
	Employee benefits expense	21	58.96	63.56
	Finance costs	22	847.36	854.74
	Depreciation and amortisation expense	23	354.53	354.42
	Other expenses	24	163.73	178.18
	<b>Total expenses</b>		<b>1,424.58</b>	<b>1,450.90</b>
V	<b>Profit / (Loss) before exceptional items and tax</b>		<b>(550.26)</b>	<b>85.36</b>
VI	<b>Profit / (loss) before tax</b>		<b>(550.26)</b>	<b>85.36</b>
VII	<b>Tax expense:</b>			
	(a) Current tax		-	-
	(b) Deferred tax		-	-
VIII	<b>Profit /(loss) for the year</b>		<b>(550.26)</b>	<b>85.36</b>
IX	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefit plans	25	(0.08)	3.91
	Items that will be reclassified to profit or loss		-	-
	<b>Other Comprehensive Income, net of tax</b>		<b>(0.08)</b>	<b>3.91</b>
X	<b>Total Comprehensive Income / (loss) for the year</b>		<b>(550.34)</b>	<b>89.27</b>
XI	<b>Earning per equity share</b>			
	Basic and diluted earnings per equity share		₹ (1.12)	₹ 0.17

See accompanying notes forming part of the financial statements **1 to 37**

**The notes are an integral part of the these financial statements**

As per our report of even date

**For BATLIBOI & PUROHIT**

Chartered Accountants  
Firm Reg No. 101048W

**Kaushal Mehta**

Partner  
Membership No. 111749

Place: Mumbai  
Date: June 29, 2020

**Avadhut Sarnaik**  
Chief Financial Officer  
Membership No.A27260

**Rakesh M. Nanwani**  
Company Secretary  
Membership No. A45718

**For and on behalf of the Board of Directors**

**Mukundan Srinivasan**

Chairman  
(DIN: 00276429)

**Ramesh R. Patil**

Whole-time Director  
(DIN: 07568951)

Place: Mumbai  
Date: June 29, 2020

**GOKAK POWER & ENERGY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

( ₹ in lakhs )

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit \ (Loss) before tax for the year	(550.26)	85.36
Adjustments for:		
Depreciation expenses	354.53	354.42
Finance Cost	847.36	854.74
Balances written off / (back)	(0.61)	(0.02)
Interest Income	(70.76)	(62.33)
Provision for Doubtful Debt	59.75	-
<b>Cash Generated from operations before working capital changes</b>	<b>640.02</b>	<b>1,232.17</b>
Adjustments for:		
(Increase)/decrease in trade receivables	(207.47)	(185.35)
(Increase)/decrease in inventories	0.75	1.16
(Increase)/decrease in Other Assets	(36.66)	61.76
(Increase)/decrease in trade payables	4.31	(1.47)
Increase / (Decrease) in Provision	4.47	1.77
Increase / (Decrease) in other Liabilities	(101.54)	12.90
Cash generated from operations	303.87	1,122.94
Taxes paid (net of refunds)	5.35	1.01
<b>Net cash generated from operating activities - [A]</b>	<b>309.22</b>	<b>1,123.95</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of tangible assets (including CWIP)	5.79	(0.63)
Movements in other bank balances	-	(56.10)
Interest received	70.76	62.33
<b>Net cash flow from/ (used in) investing activities [B]</b>	<b>76.55</b>	<b>5.60</b>
<b>C. Cash Flow from Financing Activities :</b>		
Finance Cost	(846.94)	(879.05)
Repayment of Long-term borrowings	(1,115.99)	(1,023.00)
Proceeds from short term borrowings	1,622.34	724.80
<b>Net cash flow from/ (used in) financing activities [C]</b>	<b>(340.59)</b>	<b>(1,177.25)</b>
Net increase/ (decrease) in cash and cash equivalents [D]=[A]+[B]+[C]	45.18	(47.70)
Cash and cash equivalents as at beginning [E]	11.60	59.30
<b>Cash and cash equivalents as at closing [D]+[E]</b>	<b>56.78</b>	<b>11.60</b>





PARTICULARS		Year ended March 31, 2020	Year ended March 31, 2019
<b>D.</b>	<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
	Cash on Hand	0.11	0.03
	<b>Balances with banks:</b>		
	- In current accounts	56.67	11.57
	<b>Total</b>	<b>56.78</b>	<b>11.60</b>

**Notes:**

- i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS-7), "Cash Flow Statements".
- ii) Change in Borrowings are shown net of receipts and payments.
- iii) Previous year figures have been rearranged/regrouped wherever necessary.

As per our report of even date

**For BATLIBOI & PUROHIT**

Chartered Accountants  
Firm Reg No. 101048W

**Kaushal Mehta**

Partner  
Membership No. 111749

Place: Mumbai  
Date: June 29, 2020

**Avadhut Sarnaik**  
Chief Financial Officer  
Membership No.A27260

**Rakesh M. Nanwani**  
Company Secretary  
Membership No. A45718

**For and on behalf of the Board of Directors****Mukundan Srinivasan**

Chairman  
(DIN: 00276429)

**Ramesh R. Patil**

Whole-time Director  
(DIN: 07568951)

Place: Mumbai  
Date: June 29, 2020

**GOKAK POWER & ENERGY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**

(₹ in lakhs)

<b>Statement of changes in equity for the year ended 31<sup>st</sup> March, 2020</b>	
<b>a. Equity share capital</b>	<b>Amount</b>
Balance as at April 1, 2018	4,900.00
Changes in equity share capital during the year	-
Balance as at March 31, 2019	4,900.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>4,900.00</b>

<b>Statement of changes in equity for the year ended March 31, 2020</b>		
<b>b. Other equity</b>	<b>Reserves and surplus (₹ In Lakhs)</b>	
	<b>Retained Earnings</b>	<b>Total Equity attributable to equity holders of the Company</b>
Balance at April 1, 2018	(1,957.15)	(1,957.15)
Profit / (Loss) for the year	85.36	85.36
Other comprehensive income for the year, net of income tax	3.91	3.91
Total comprehensive income for the year	89.27	89.27
<b>Balance at March 31, 2019</b>	<b>(1,867.88)</b>	<b>(1,867.88)</b>
Profit for the year	(550.26)	(550.26)
Other comprehensive income for the year, net of income tax	(0.08)	(0.08)
Total comprehensive income for the year	(550.34)	(550.34)
<b>Balance at March 31, 2020</b>	<b>(2,418.22)</b>	<b>(2,418.22)</b>

As per our report of even date

**For BATLIBOI & PUROHIT**Chartered Accountants  
Firm Reg No. 101048W**Kaushal Mehta**Partner  
Membership No. 111749Place: Mumbai  
Date: June 29, 2020**Avadhut Sarnaik**  
Chief Financial Officer  
Membership No.A27260**Rakesh M. Nanwani**  
Company Secretary  
Membership No. A45718**For and on behalf of the Board of Directors****Mukundan Srinivasan**Chairman  
(DIN: 00276429)**Ramesh R. Patil**Whole-time Director  
(DIN: 07568951)Place: Mumbai  
Date: June 29, 2020



**GOKAK POWER & ENERGY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**1 Corporate Information**

Gokak Power and Energy Limited is public Company incorporated on 17<sup>th</sup> January 2012 under the provisions of Companies Act, 1956. The Company is in the business of generation/producing hydro power. The Company has 10.8 MW of Hydro power plant. Its registered office at #1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross Ideal Homes, Near Jayanna Circle ,Rajarajeshwari Nagar, Bangalore KA 560098.

**2 Basis of preparation**

**(a) Statement of Compliance -**

The financial statement have been prepared in accordance with Indian Accounting standards ( IND AS ) notified under section 133 of the Companies Act 2013, the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Details of the Company's accounting policies are included in Note 3.

**(b) Functional and presentation currency:-**

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

**(c) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

**(d) Use of Estimates :**

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively

**Assumptions and estimations of uncertainties**

Information about assumptions and estimations of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 is included in the following notes:

- Note 27 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 3(b) - useful life of property, plant and equipment
- Note 3(d) - Financial Instruments

**(e) Measurement of fair values**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued**

The Company has an established control framework with respect to the measurement of fair values

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

Note 32 - financial instruments.

**3 Significant accounting policies****(a) Property, plant and equipment:**

Items of property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any other directly attributable costs of bringing the assets to its working condition for its intended use. Adjustments arising from the exchange rates variances relating to liabilities attributable to fixed assets are expensed out.

**(b) Depreciation /Amortisation:**

Depreciation is provided on a pro-rata basis on the straight line method at the rates prescribed under Schedule II to the Companies Act, 2013.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Useful Life In years</b>
1	Building & Structures	30
2	Plant & Machinery	40
3	Furniture and Fixture	10
4	Office Equipments	5

**(c) 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

### (d) Financial instruments

#### i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### ii. Classification and subsequent measurement

##### Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### iii. De-recognition

##### Financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued**

**Financial liabilities**

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

**iv. Off setting**

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

**(e) Revenue recognition :**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or service . Revenue from sale of hydro power is recognised net of cash discount over time for each unit of electricity delivered at contracted price.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations. Interest income is recognised using the effective interest rate (EIR) method.

**(f) 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.

**(g) Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company off sets, the current tax assets and liabilities (on year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

### (h) Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with IND AS 33, on 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.

### (i) Impairment

#### (i) Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

#### (ii) Non -financial assets

Intangible assets and property, plant and equipment

- (a) Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued**

the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. “

**(j) Inventories :**

Inventories are valued at lower of cost and net realisable value. Stores, Spares and loose Tools cost is determined on weighted average method.

**(k) 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 obligation**

Long-term compensated absence of permanent employees is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are 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**

Retirements benefits in the form of Gratuity for eligible employees is considered as defined benefit obligations and are provided on the basis of actuarial valuation, using the projected unit credit method.

The present value of the defined benefit obligation 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 present value of the defined benefit obligation 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.





**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued**

**(l) Cash and Cash equivalents :**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, bank balance, deposits held at call with financial institutions.

**(m) Cash flow statement**

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

**3. Property, plant and equipment**

( ₹ in lakhs )

Particulars	Building and structures	Plant and machinery	Furniture, Fixtures & Office Equipments	Vehicle	Total
<b>Cost or Deemed cost</b>					
<b>Balance at April 1, 2018</b>	<b>6,777.64</b>	<b>4,640.68</b>	<b>0.84</b>	<b>-</b>	<b>11,419.14</b>
Additions	-	-	-	0.63	0.63
Disposal	-	-	-	-	-
<b>Balance at April 1, 2019</b>	<b>6,777.64</b>	<b>4,640.68</b>	<b>0.84</b>	<b>0.63</b>	<b>11,419.79</b>
Additions	-	4.01	0.30	-	4.31
Disposal	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>6,777.64</b>	<b>4,644.69</b>	<b>1.14</b>	<b>0.63</b>	<b>11,424.08</b>
<b>Accumulated depreciation and impairment</b>					
<b>Balance at April 1, 2018</b>	<b>601.10</b>	<b>301.14</b>	<b>0.31</b>	<b>-</b>	<b>902.55</b>
Eliminated on disposals of assets	-	-	-	-	-
Depreciation expense	236.55	117.71	0.12	0.06	354.44
<b>Balance at April 1, 2019</b>	<b>837.65</b>	<b>418.85</b>	<b>0.43</b>	<b>0.06</b>	<b>1,256.99</b>
Eliminated on disposals of assets	-	-	-	-	-
Depreciation expense	236.55	117.76	0.16	0.06	354.53
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>1,074.20</b>	<b>536.61</b>	<b>0.59</b>	<b>0.12</b>	<b>1,611.52</b>
<b>Carrying Amount</b>					
<b>Balance at April 1, 2018</b>	<b>6,176.54</b>	<b>4,339.54</b>	<b>0.53</b>	<b>-</b>	<b>10,516.59</b>
<b>Balance at April 1, 2019</b>	<b>5,939.99</b>	<b>4,221.83</b>	<b>0.41</b>	<b>0.57</b>	<b>10,162.80</b>
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>5,703.44</b>	<b>4,108.08</b>	<b>0.55</b>	<b>0.51</b>	<b>9,812.58</b>

**4. Non Current Investments**

( ₹ in lakhs )

Particulars	As at March 31, 2020		As at March 31, 2019	
	Qty	Amount	Qty	Amount
<b>Unquoted Investments at FVTPL</b>				
a) Equity Instruments				
1. In unquoted 2600 equity shares of ₹ 10 each fully paid up of Suryodaya One Energy pvt. ltd	2,600	0.26	2,600	0.26
<b>TOTAL</b>	<b>2,600</b>	<b>0.26</b>	<b>2,600</b>	<b>0.26</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

## 5. Trade receivables

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Trade receivables</b>		
a) Unsecured, considered good	463.50	261.56
b) Unsecured, considered good	-	-
c) Doubtful	-	-
d) Related Parties	43.64	38.09
Less: Allowance for doubtful debts (expected credit loss allowance)	(59.75)	-
<b>Total</b>	<b>447.38</b>	<b>299.65</b>

\* There were no trade receivables which were credit impaired or had significant increase in credit risk during the year.

## 5.1 Trade receivables

The average credit period on sales is 60 days. No interest is charged on trade receivables overdue. The Company has recognised an allowance for doubtful debts at 100% against all receivables over 365 days and 50% against all receivables between 180 -365 days as standard policy.

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 March 31, 2020	As at March 31, 2019
<b>Not Due</b>		
0 - 90	69.06	299.65
91 - 180	1.57	-
181 - 365	183.65	-
Above 365 Days	193.10	-
<b>Total</b>	<b>447.38</b>	<b>299.65</b>

## Movement in the allowance for doubtful debts :

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	-	-
Impairment losses recognised on receivables	59.75	-
Amounts written off during the year as uncollectible	-	-
Amounts recovered during the year	-	-
<b>Balance at end of the year</b>	<b>59.75</b>	<b>-</b>

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued****6. Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
a) Inventories (lower of cost and net realisable value)		
Stores and spares	12.09	12.84
<b>Total</b>	<b>12.09</b>	<b>12.84</b>

**7. Cash and Bank Balances****7A. Cash and cash equivalents**

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balances with Banks</b>		
a) In current accounts	56.67	11.57
	<b>56.67</b>	<b>11.57</b>
Cash on hand	0.11	0.03
<b>Cash and cash equivalents</b>	<b>56.78</b>	<b>11.60</b>
<b>7B. Other Bank balances</b>		
a) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited with ICICI under lien.	981.18	917.50
<b>Total</b>	<b>981.18</b>	<b>917.50</b>

**8. Other assets****8A. Non Current**

Particulars	As at March 31, 2020	As at March 31, 2019
a) Prepaid expenses	1.00	12.18
<b>Total</b>	<b>1.00</b>	<b>12.18</b>

**8B Current**

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
a) Advances to Employees	0.08	0.04
b) Advances for supply of goods and services	7.01	2.33
d) REC Receivable	-	38.71
e) Security Deposits	0.22	0.22
f) Prepaid expenses	12.27	-
g) Balances with statutory / government authorities	0.39	-
h) Prepaid employee benefit plan asset	6.09	0.60
<b>Total</b>	<b>26.06</b>	<b>41.90</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

## 9. Equity Share Capital

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised Share capital :</b>		
5,00,00,000 fully paid equity shares of ₹ 10 each	5,000.00	5,000.00
Issued, subscribed and paid-up share capital:		
4,90,00,000 fully paid equity shares of ₹ 10 each	4,900.00	4,900.00
<b>Total</b>	<b>4,900.00</b>	<b>4,900.00</b>

## 9.1 Fully paid equity shares

( ₹ in lakhs )

Particulars	Number of shares	Share capital
<b>Balance as at April 1, 2018</b>	<b>490,00,000</b>	<b>4,900</b>
Movements	-	-
<b>Balance as at March 31, 2019</b>	<b>490,00,000</b>	<b>4,900</b>
Movements	-	-
<b>Balance as at March 31, 2020</b>	<b>490,00,000</b>	<b>4,900</b>

## Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 9.2 Details of shares held by the holding Company, its subsidiaries and associates

Particulars	Fully paid ordinary shares	
	As at March 31, 2020	As at March 31, 2019
<b>Balance at the beginning of the period :</b>		
Gokak Textile Limited - Holding Company (51%)	249,90,000	249,90,000
<b>Total</b>	<b>249,90,000</b>	<b>249,90,000</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<u>Fully paid equity shares</u>				
Shapoorji Pallonji Infrastructure Capital Company Private limited	240,10,000	49%	240,10,000	49%
<b>Total</b>	<b>240,10,000</b>	<b>49%</b>	<b>240,10,000</b>	<b>49%</b>

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.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued**

**10. Other Equity**

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Surplus/ Deficit in retained earnings</b>		
Balance at beginning of the year	(1,867.88)	(1,957.15)
Profit / (loss ) during the year	(550.26)	85.36
Other comprehensive income for the year, net of income tax	(0.08)	3.91
<b>Balance at end of the year</b>	<b>(2,418.22)</b>	<b>(1,867.88)</b>

**11. Non-current Borrowings**

( ₹ in lakhs )

Particulars	Non Current maturities		Current maturities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Secured – at amortised cost</b>				
(a) Term loans				
From banks				
i) ICICI Bank Ltd	1,973.75	3,182.75	1,209.00	1,116.00
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. Repayment is being made at ₹ 255.75 per quarter Interest rate during the year is 12.60% p.a. (Previous year 12.60% p.a.)				
<b>Total</b>	<b>1,973.75</b>	<b>3,182.75</b>	<b>1,209.00</b>	<b>1,116.00</b>

**12. Other financial liabilities -Non Current**

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
a) Unsecured considered good		
Security deposits	-	100.00
<b>Total</b>	<b>-</b>	<b>100.00</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

## 13. Other financial liabilities -Current

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
a) Current maturities of long-term borrowings	1,209.00	1,116.00
b) Others :-		
- Other Payables Salary & Others	37.11	44.32
<b>Total</b>	<b>1,246.11</b>	<b>1,160.32</b>

## 14. Non current Provisions

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
a) <b>Employee benefits</b>		
Compensated absences	1.69	2.72
<b>Total</b>	<b>1.69</b>	<b>2.72</b>

## 15. Current Provisions

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
a) <b>Employee benefits</b>		
Compensated absences	0.18	0.27
Gratuity (Badli workers)	5.60	-
<b>Total</b>	<b>5.78</b>	<b>0.27</b>

## 16. Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
a) Statutory remittances	13.18	7.59
<b>Total</b>	<b>13.18</b>	<b>7.59</b>

## 17. Current Borrowings

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured - at amortised cost</b>		
a) Inter corporate deposits - loans from Related parties Rate of interest for the loans from holding Company is 11.50% per annum and loan is repayable on demand”	5,616.25	3,993.91
<b>Total</b>	<b>5,616.25</b>	<b>3,993.91</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued****18. Trade payables**

<b>Current</b>		
<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Trade payables</b>		
- dues to Micro and small enterprises	-	-
- dues to Related parties	3.79	2.88
- dues to other Creditors	8.93	5.53
<b>Total</b>	<b>12.72</b>	<b>8.41</b>

Note - There are no dues outstanding to Micro, Small and Medium enterprises as per MSMED Act 2006.

**19. Revenue from operations**

(₹ in lakhs)

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Revenue from Contracts with customers</b>		
a) Income from Sale of Power	546.80	1,231.08
<b>Total (a)</b>	<b>546.80</b>	<b>1,231.08</b>
b) Other operating revenues		
i) Sale of RECs	255.72	238.46
ii) Scrap Sales	0.43	2.38
<b>Total (b)</b>	<b>256.15</b>	<b>240.84</b>
<b>Total (a+b)</b>	<b>802.95</b>	<b>1,471.92</b>

\* There are no adjustments during the year to the contract price for revenue recognition

**20. Other Income**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
i) Bank deposits	70.76	62.33
ii) Credit balances / excess provision written back	0.61	0.02
iii) Miscellaneous income	-	1.99
<b>Total</b>	<b>71.37</b>	<b>64.34</b>

**21. Employee benefits expense**

(₹ in lakhs)

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
i) Salaries and Wages	51.15	52.67
ii) Contribution to provident and other funds	5.72	8.96
iii) Staff Welfare Expenses	2.09	1.93
<b>Total</b>	<b>58.96</b>	<b>63.56</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

## 22. Finance Costs

Particulars	As at March 31, 2020	As at March 31, 2019
i) Interest on Security Deposits	12.00	12.00
ii) Interest on bank Term Loans	410.52	520.32
iii) Bank Charges	0.01	0.01
iv) Interest on Inter Corporate Deposits	424.83	322.42
<b>Total</b>	<b>847.36</b>	<b>854.75</b>

## 23. Depreciation and amortisation expense

Particulars	As at March 31, 2020	As at March 31, 2019
i) Depreciation of property, plant and equipment	354.53	354.44
<b>Total depreciation and amortisation</b>	<b>354.53</b>	<b>354.44</b>

## 24. Other expenses

Particulars	As at March 31, 2020	As at March 31, 2019
a) Consumption of stores and spare parts	11.62	19.89
b) Power and fuel	0.48	0.35
c) Freight and Handling	0.14	0.10
d) Directors Sitting fees	4.50	5.00
e) Repairs to :		
i) Buildings	0.26	1.19
ii) Plant and machinery	10.34	22.82
iii) Repair & mantinance (plant revival)	19.97	-
iv) Others	0.68	9.67
f) Insurance	15.36	19.44
g) Rates and taxes	2.42	10.97
h) Administrative Expenses	0.13	1.37
i) Printing & Stationery	0.01	0.00
j) Provision for Doubtful Debt	59.75	-
k) Legal and professional charges	19.79	24.05
l) Travelling and conveyance	0.73	0.32
m) Water Royalty Charges	14.55	60.01
<b>Total (a)</b>	<b>160.73</b>	<b>175.18</b>
o) To Statutory auditors		
i) For audit fee	2.25	2.25
ii) For tax audit fee	0.75	0.75
<b>Total (o)</b>	<b>3.00</b>	<b>3.00</b>
<b>Total (a+o)</b>	<b>163.73</b>	<b>178.18</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued****25. Other comprehensive income**

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019
Re-measurement of defined benefit obligation	(0.08)	3.91
<b>Total</b>	<b>(0.08)</b>	<b>3.91</b>

**26. Earnings per share :**

Particulars	As at March 31, 2020	As at March 31, 2019
	₹ per share	₹ per share
Basic earnings per share	(1.12)	0.17

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Profit / (Loss) for the year attributable to owners of the Company (A)	(550.26)	85.35
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in Lakhs) (B)	490.00	490.00
<b>Basic &amp; Diluted Earnings per share (A/B)</b>	<b>(1.12)</b>	<b>0.17</b>

**27. Employee benefits obligations :****Defined-contribution plans:**

The Company's provident fund scheme is a defined contribution plan. The Company's contribution paid/payable under the schemes is recognised as expense in the Statement of Profit and Loss during the period in which the employee renders the related service. The Company makes specified monthly contributions towards employee provident fund. The contribution towards Provident Fund is deposited with the Regional Provident Fund Commissioner

Particulars	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019
Provident fund	8.75	8.68
Superannuation fund	-	-
<b>Total contribution</b>	<b>8.75</b>	<b>8.68</b>

**Defined Benefit Plan:**

The Company's gratuity scheme is a defined benefit scheme. The Company maintains its plan assets with LIC of India. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

Sr. No.	Particulars	2019-20	2018-19
<b>a)</b>	<b>Change in Present Value of Obligation</b>		
	Present value of the obligation at the beginning of the year	13.85	19.88
	Current Service Cost	0.90	0.83
	Interest Cost	1.08	1.56
	Actuarial (Gain) / Loss on Obligation due to experience	(0.92)	(4.18)
	Actuarial (Gain) / Loss on Obligation due to change in financial assumptions	0.94	0.13
	Benefits Paid	(6.40)	(4.37)
	Present value of the obligation at the end of the year	9.45	13.85
<b>b)</b>	<b>Change in Plan Assets</b>		
	Fair value of Plan Assets at the beginning of the year	14.45	17.58
	Interest Income	1.12	1.38
	Return on plan assets excluding interest income	(0.06)	(0.15)
	Contributions by Employer	0.02	-
	Benefits Paid	-	(4.37)
	Fair value of Plan Assets at the end of the year	15.54	14.45
<b>c)</b>	<b>Amounts Recognised in the Balance Sheet</b>		
	Present value of Obligation at the end of the year	(9.45)	(13.85)
	Fair value of Plan Assets at the end of the year	15.54	14.45
	Funded Status	6.09	0.60
	Net asset/(liability) at the end of the year	6.09	0.60
<b>d)</b>	<b>Amounts Recognised in the Statement of Profit &amp; Loss</b>		
	Current Service Cost	0.90	0.83
	Finance cost / (income)	(0.05)	0.18
	Past service cost	(6.40)	-
	Net impact on the loss before tax	(5.55)	1.01
<b>e)</b>	<b>Amounts Recognised in Other Comprehensive Income</b>		
	Actuarial (gains) / losses for the period	0.02	(4.06)
	Return on plan asset excluding interest income	0.06	0.15
	Net (income) / expenses for the period recognised in other comprehensive income	0.08	(3.91)
<b>f)</b>	<b>Actual return on Plan Assets</b>		
	Interest Income	1.12	1.38
	Actuarial Gain / (Loss) on Plan Assets	-	-
	Actual return on Plan Assets	1.12	1.38
<b>g)</b>	<b>Actuarial Assumptions</b>		
	i) Discount Rate	6.84%	7.78%
	ii) Expected Rate of Return on Plan Assets	6.84%	7.78%
	iii) Salary Escalation Rate	4.00%	4.00%
	iv) Attrition Rate	1.00%	1.00%
	v) Mortality	Indian Assured Lives Mortality(2006-08) Ultimate	Indian Assured Lives Mortality(2006-08) Ultimate

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued**

<b>Maturity Analysis of the benefit payments : from the fund</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
<b>Projected Benefits payable in future years from the date of reporting</b>		
1 <sup>st</sup> Following Year	0.18	0.30
2 <sup>nd</sup> Following Year	0.19	0.31
3 <sup>rd</sup> Following Year	0.20	4.62
4 <sup>th</sup> Following Year	0.21	0.25
5 <sup>th</sup> Following Year	0.22	0.26
Sum of years 6 <sup>th</sup> to 10 <sup>th</sup>	3.38	1.53
Sum of years 11 <sup>th</sup> and above	17.72	31.53

<b>Maturity Analysis of the benefit payments : from the fund</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
Projected Benefit obligation On Current Assumptions	9.45	13.85
Delta effect of +1% Change in rate of Discounting	(0.99)	(1.28)
Delta effect of -1% Change in rate of Discounting	1.14	1.52
Delta effect of +1% Change in rate of Salary increase	1.16	1.56
Delta effect of -1% Change in rate of Salary increase	(1.03)	(1.34)
Delta effect of +1% Change in rate of Employee Turnover	0.26	0.60
Delta effect of -1% Change in rate of Employee Turnover	(0.28)	(0.69)

Sensitivity for significant actuarial assumption 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.

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

The assumptions with regards to salary escalation and attrition rates are the expectations of the entity based on the salary escalation that the entity will provide in future and the expected attrition rate in the future. Historical trends of these assumptions may or may not be suitable to be extrapolated for the future projections, as it is the entity's prerogative to decide on the expected future trends and thereby the assumptions given by the entity are accepted.

The assumptions with regards to discount rate has been considered as per the requirement of the standard. Since no separate analysis of the mortality rate of the entity was undertaken, we have considered the latest mortality table available.

The results are particularly sensitive to some assumptions, such as discount rate, level of salary inflation, level of employee turnover and mortality. Such as decrease in the assumed discount rate are an increase in salary inflation will lead to increase in reported liability.

**28. Related Party Disclosures :****Current Year****(a) Name of the Related Parties and Description of Relationship:**

<b>Nature of Relationship</b>	<b>Name of Entity</b>
Holding Company	1 Gokak Textiles Limited
Ultimate Holding Company	1 Shapoorji Pallonji & Company Private Limited
Fellow Subsidiaries	1 Shapoorji Pallonji Infrastructure Capital Company Private Limited 2 Shapoorji Pallonji Energy ( Gujarat) Private Limited 3 Suryoday One Energy Private Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

Key Management Personnel  
and their relatives  
("KMP")

- 1 Mr. Ramesh R Patil, Whole Time Director.
- 2 Mr. Avadhut Sarnaik, Chief Financial Officer.
- 3 Mr. Rakesh Nanwani, Company Secretary.
- 4 Mr. Mukundan Srinivasan, Chairman.
- 5 Mr. Pradip N. Kapadia, Director.
- 6 Mr. Chandrakant G. Shah, Director.
- 7 Mr. Nikhil Bhatia, Director.

Trusts

- 1 Gokak Falls Education & Medical Trust

## (b) transactions/ balances with above mentioned related parties (mentioned in note 28 above)

	Nature of Transactions	Holding Company	Ultimate Holding Company	Associate Companies	Fellow Subsidiary	Key Managerial Personnel	Trust	Total
<b>1</b>	<b>INCOME</b>							
(i)	<b>Sales (including Electricity Tax)</b>	<b>352.06</b>	-	-	-	-	-	<b>352.06</b>
	Previous Year (including Electricity Tax)	875.33	-	-	-	-	-	875.33
<b>2</b>	<b>EXPENSES</b>							
(i)	<b>Interest Accrued</b>	<b>12.00</b>	<b>388.60</b>	-	<b>36.23</b>	-	-	<b>436.83</b>
	Previous Year	12.00	286.19	-	36.23	-	-	334.42
(ii)	<b>Services received</b>	-	<b>0.73</b>	-	-	-	-	<b>0.73</b>
	Previous Year	-	0.53	-	-	-	-	0.53
(iii)	<b>Director sitting fees</b>	-	-	-	-	<b>4.50</b>	-	<b>4.50</b>
	Previous Year	-	-	-	-	5.00	-	5.00
<b>3</b>	<b>Reimbursement of Expenditure</b>	-	-	-	-	-	<b>0.90</b>	<b>0.90</b>
	Previous Year	-	-	-	-	-	0.77	0.77
	<b>Refund Received</b>	-	-	-	-	-	-	-
	Previous Year	-	-	-	-	-	-	-
<b>4</b>	<b>Borrowings during the year</b>	-	<b>1,240.00</b>	-	-	-	-	<b>1,240.00</b>
	Previous Year	-	425.00	-	-	-	-	425.00
<b>5</b>	<b>Deposit Repaid during the year</b>	<b>100.00</b>	-	-	-	-	-	<b>100.00</b>
	Previous Year	-	-	-	-	-	-	-
<b>6</b>	<b>OUTSTANDINGS</b>							
	<b>Receivables</b>	<b>43.64</b>	-	-	-	-	-	<b>43.64</b>
	Previous Year	38.09	-	-	-	-	-	38.09
	<b>Deposit Payable</b>	-	-	-	-	-	-	-
	Previous Year	100.00	-	-	-	-	-	100.00
	<b>Payables</b>	-	5,127.20	-	492.68	-	0.16	5,620.04
	Previous Year	-	3,536.65	-	460.08	-	0.06	3,996.79



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued**

**(b) transactions/ balances with above mentioned related parties (mentioned in note 28 above)**

Nature Of Transaction	Year ended March 31, 2020	Year ended March 31, 2019	Nature Of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
<b>Sale of Electricity</b>			<b>Deposit Payable</b>		
Gokak Textiles limited	352.06	875.33	Gokak Textiles Limited	-	100.00
<b>Services Received</b>			<b>Receivables</b>		
Shapoorji Pallonji and Company Private Limited	0.73	0.53	Gokak Textiles limited	43.64	38.09
<b>Interest accrued</b>			<b>Director Sitting Fees</b>		
Gokak Textiles limited	12.00	12.00	Mr. S. Mukundan	0.40	0.60
Shapoorji Pallonji and Company Private Limited	388.60	286.19	Mr. C. G. Shah	1.30	1.40
Shapoorji Pallonji Infrastructure Capital Company Private Limited	32.78	32.78	Mr. Pradip N. Kapadia	1.40	1.50
Shapoorji Pallonji Energy (Gujarat) Private Limited	3.45	3.45	Mr. Kaiwan D. Kalyaniwala	-	1.50
<b>Borrowings during the year</b>			Mr. Nikhil Bhatia	1.40	-
Shapoorji Pallonji and Company Private Limited	1,240.00	425.00	<b>Payables</b>		
<b>Refund received</b>			Gokak Falls Education & Medical Trust	0.16	0.06
Gokak Textiles limited	-	-	Shapoorji Pallonji and Company Private Limited	5,123.57	3,533.83
<b>Reimbursement of Expenditure</b>			Shapoorji Pallonji Infrastructure Capital Company Private Limited	441.56	412.06
Gokak Textiles limited	-	-	Shapoorji Pallonji Energy (Gujarat) Private Limited	51.12	48.02
Gokak Falls Education & Medical Trust	0.90	0.77	Shapoorji Pallonji and Company Private Limited (Strategic support)	3.63	2.82
<b>Deposit Repaid during the year</b>					
Gokak Textiles limited	100.00	-			

**29 Capital Management :**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 11, 12B and 16 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans. The funding requirements are met through short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below :

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

Particulars	March 31, 2020	March 31, 2019
<b>Total Equity</b>	<b>2,481.78</b>	<b>3,032.12</b>
Short Term Borrowings	5,616.25	3,993.91
Long Term Borrowings	1,973.75	3,182.75
Current Maturities of Long Term Borrowings	1,209.00	1,116.00
<b>Total Debt</b>	<b>8,799.00</b>	<b>8,292.66</b>
Cash & Cash equivalents	56.78	11.60
<b>Total Cash and Cash Equivalents</b>	<b>56.78</b>	<b>11.60</b>
<b>Net Debt</b>	<b>8,742.22</b>	<b>8,281.06</b>
<b>Debt Equity ratio</b>	<b>1.26</b>	<b>1.41</b>
Debt Equity Ratio = Net long term debt / Total Equity		

**30 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 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, liquidity risk and credit 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.

**(a) 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, loans and borrowings.

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

**Currency risk**

The Company is not exposed to currency risk, since there are not transaction in foreign currency.

**Interest 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 exposed to interest rate risks.

**(b) 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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

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 tables shows principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in Lakhs

Maturities of Financial Liabilities	March 31, 2020			
	Total	Upto 1 year	1 to 3 Years	3 years & above
Borrowings ( Long term and Short term, Including current maturities)	8,799.00	6,825.25	1,973.75	-
Trade Payables	12.72	12.72	-	-
Other Financial Liabilities	37.11	37.11	-	-
<b>Total</b>	<b>8,848.83</b>	<b>6,875.08</b>	<b>1,973.75</b>	<b>-</b>

₹ in Lakhs

Maturities of Financial Liabilities	March 31, 2019			
	Total	Upto 1 year	1 to 3 Years	3 years & above
Borrowings (Long term and Short term, Including current maturities)	8,292.66	5,109.91	1,787.75	1,395.00
Trade Payables	8.41	8.41	-	-
Other Financial Liabilities	144.32	44.32	-	100.00
<b>Total</b>	<b>8,445.39</b>	<b>5,162.64</b>	<b>1,787.75</b>	<b>1,495.00</b>

### (c) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### Trade and other receivables

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Financial assets that potentially expose the Company to credit risks are listed below:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

Particulars	March 31, 2020	March 31, 2019
Trade receivables	447.38	299.65
<b>Total</b>	<b>447.38</b>	<b>299.65</b>

The above receivables are pertaining to only two customers i.e. the holding Company and a State government, hence the Company's credit risk is significantly low.

**31 Movement in financial liabilities included under financing activities in statement of cash flows :**

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

Particulars	As on 1 <sup>st</sup> april 2019	Cash in flow	Cash out flow	Non cash movement	As on 31 st March 2020
Short Term Borrowings	3,993.91	1,622.35	-	-	5,616.25
Long Term Borrowings Including current maturities	4,298.75	-	1,116.00	-	3,182.75

**32 Financial Instrument - Fair Value & Risk management:**

Categories of Financial Instruments:	March 31, 2020			March 31, 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>i) Financial Assets</b>						
Investments	0.26			0.26		
Trade Receivables			447.38			299.65
Cash & Bank Balances			56.78			11.60
Bank balances other than above			981.18			917.50
	<b>0.26</b>	<b>-</b>	<b>1,485.34</b>	<b>0.26</b>	<b>-</b>	<b>1,228.74</b>
<b>ii) Financial liabilities</b>						
Borrowings			8,799.00			8,292.66
Trade Payables			12.72			8.41
Other Financial Liabilities			37.11			144.32
	<b>-</b>	<b>-</b>	<b>8,848.83</b>	<b>-</b>	<b>-</b>	<b>8,445.39</b>

**33 Segment reporting :-**

The Chief Operating Decision maker of the Company examines Company's performance as one operating segment only namely - Power Out of the total revenue, 84% (Previous year 85%) of the revenue pertains to only two customers i.e. the holding Company and a State government.

- 34** In view of the country-wide lockdown due to the outbreak of COVID-19 pandemic, operations/despaches and administrative offices of the Company were scaled down or shut down for certain days beginning from March 24, 2020, The lockdown is being lifted with systematic process by the Government and operations of the Company resumed from May 4, 2020 in a phased manner.





## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 - Continued

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, trade receivables and other current assets. Based on the current assessment of the management, the eventual outcome or impact of COVID-19 on the Company's financial statement is not likely to materially differ from that estimated as at the date of approval of these financial statements."

- 35** During the quarter ended September 30, 2019, hydro power plant of the subsidiary Company (Gokak Power and Energy Limited) situated at Gokak Falls having total capacity of 8 MW was submerged in the flood water due to heavy rains and the power generation has been suspended since August 07, 2019. The Subsidiary Company has estimated the repair and replacement cost of approximately ₹ 3.29 Crores and the sub plant of 4.5 and 3.5 MW out of entire plant is operational from February 2020 and remaining 1MW plant expected to be in operation by September 2020. The management is of the opinion that significant portion of the repairs and replacement cost incurred will be recovered through insurance claim, however the entire claim is not lodged with the insurance Company. The Company has received an advance amount of ₹ 100 lakhs from the Insurance Company towards the expenses incurred on repairs. The Company has recorded provision for expenses of ₹ 19.97 lakhs for work completed over and above the advance insurance claim received.

In addition to the damage of the plant and machinery of the power plant, the canal system was also damaged due to deluge of floods. The complete assessment of extent of damage will be carried out after the reduction of water levels. The canal system is insured with The Oriental Insurance Company under a Fire, Flood and Earthquake policy and the quantum of claim versus the expenses and the impact on the accounts will be known once the canal is dry and empty, though the management expects limited or no impact on the profit and loss accounts."

- 36** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- 37** Approval of Financial Statements:- The financial statements were approved for issue by the board of directors on 29<sup>th</sup> June 2020.

As per our report of even date

**For BATLIBOI & PUROHIT**

Chartered Accountants  
Firm Reg No. 101048W

**Kaushal Mehta**

Partner  
Membership No. 111749

Place: Mumbai  
Date: June 29, 2020

**Avadhut Sarnaik**  
Chief Financial Officer  
Membership No.A27260

**Rakesh M. Nanwani**  
Company Secretary  
Membership No. A45718

**For and on behalf of the Board of Directors**

**Mukundan Srinivasan**

Chairman  
(DIN: 00276429)

**Ramesh R. Patil**

Whole-time Director  
(DIN: 07568951)

Place: Mumbai  
Date: June 29, 2020