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GODAWARI POWER & ISPAT

ANNUAL REPORT 2016-17

GODAWARI POWER AND ISPAT LIMITED

Forward looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substances in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

CIN: L27106CT1999PLC013756

Company Information

BOARD OF DIRECTORS	Mr. B. Choudhuri	Chairman (Independent Director)
	Mr. B.L. Agrawal	Managing Director
	Mr. Abhishek Agrawal	Executive Director
	Mr. Dinesh Agrawal	Executive Director
	Mr. Vinod Pillai	Executive Director
	Mr. Dinesh Gandhi	Non Executive Director
	Mr. Shashi Kumar	Independent Director
	Mr. B. N. Ojha	Independent Director
	Mr. Harishankar Khandelwal	Independent Director
	Ms. Bhavna G. Desai	Independent Woman Director
CFO	Mr. Sanjay Bothra	Chief Financial Officer
COMPANY SECRETARY	Mr. Y.C. Rao	Company Secretary & Compliance Officer
AUDITORS	M/s. O.P. Singhania & Co. Chartered Accountants, Raipur (C.G.)	
BANKERS	Canara Bank	State Bank of India
	Bank of Baroda	Axis Bank Ltd.
	IDBI Bank Ltd	Indian Overseas Bank
	Lakshmi Vilas Bank Ltd.	IFCI Ltd.
SECURITY / DEBENTURE TRUSTEE:	Axis Trustee Services Limited	
REGISTERED OFFICE & WORKS:	Plot No. 428/2, Phase I, Industrial Area, Siltara - 493 111, Dist. Raipur, Chhattisgarh, India. Tel: +91 - 771 4082333; Fax: +91 771 4082234	
CORPORATE OFFICE	First Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur - 492 001, Chhattisgarh, India Tel.: +91 - 771 - 4082000 Fax: 4082732 / 4057601 Email: co.secretary@hiragroup.com	
MUMBAI OFFICE	Unit No. 501-A, Synergy Business Park, Sahakar Wadi, Off Aarey Road, Goregaon (East), Mumbai – 400 063, India, Tel: +91 – 22 – 29272324 Fax: +91 – 22 – 29276260	

DIRECTORS REPORT

To the Members,

Your Directors have pleasure in presenting the 18th Annual Report on the business & operations of the Company together with the Standalone and Consolidated Audited Statement of Financial Accounts for the year ended 31st March 2017.

1. HIGHLIGHTS OF PERFORMANCE

Standalone Operations:

- Standalone Net Sales for the year was ₹ 1546.02 Crores as compared to net sales of ₹ 1538.89 crores achieved during previous financial year.
- Standalone EBITDA for the year was ₹ 176.88 Crores as compared to ₹ EBITDA of ₹ 161.66 Crores achieved in previous financial year.
- Standalone net loss after tax was ₹ 77.44 Crores as compared to net loss of ₹ 48.23 Crores in previous year.

Consolidated Operations:

- Consolidated net sales for the year decreased by 8.86% to ₹ 1804.41 Crore as compared to ₹ 1979.73 Crore in F.Y 2015-16;
- Consolidated EBITDA for year increased by 29.67% to ₹ 306.05 Crores as compared to EBITDA of ₹ 236.03 crores achieved in previous financial year.
- Consolidated loss after tax during the year decreased to ₹ 73.62 Crore as compared to net loss after tax of ₹ 99.85 Crore in FY16.

2. FINANCIAL RESULTS

₹ in Crores

Particulars	Standalone		Consolidated	
	2016-17	2015-16	**2016-17**	2015-16
Net Sales Turnover	**1546.02**	1538.89	**1804.41**	1979.73
Other Income	**13.74**	12.27	**15.30**	18.90
Total Revenue	**1559.76**	1551.16	**1819.71**	1998.63
Operating expenses	**1382.88**	1389.50	**1513.66**	1762.60
Profit before Interest, Depreciation, Tax and Amortization (EBIDTA)	**176.88**	161.66	**306.05**	236.03
Finance Costs	**176.70**	163.18	**259.14**	252.00
Depreciation and amortization expenses	**78.19**	73.08	**120.08**	126.49
Add: Share of Profit/(Loss) of Associates & Joint Ventures (after tax)	**--**	--	**0.27**	(04.51)
Profit/(Loss) Before Taxation	**(78.01)**	(74.60)	**(72.90)**	(146.97)
Taxation (including Deferred Tax)	**(0.57)**	(26.37)	**0.72**	(47.13)
Profit/(Loss) after Taxation (PAT)	**(77.44)**	(48.23)	**(73.62)**	(99.84)
Other Comprehensive Income	**(0.16)**	**(0.29)**	**(0.10)**	**0.31**
Total Comprehensive Income for the period comprising profit/(loss) & other comprehensive income for the period	**(77.60)**	**(48.52)**	**(73.72)**	**(99.53)**

3. INDIAN ACCOUNTING STANDARD

The Ministry of Corporate Affairs (MCA) on February 16, 2015, notified that Indian Accounting Standards (Ind AS) are applicable to certain classes of companies from April 1, 2016 with a transition date of April 1, 2015. Ind AS has replaced the previous Indian GAAP prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the

Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company from April 1, 2016. The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in Note 3.1 & 3.2 in the notes to accounts in the standalone financial statement and consolidated financial statement.

4. REVIEW OF PERFORMANCE

The financial year 2016-17 was yet another challenging year for the iron & steel Industry Indian & global economy. Although the India's GDP growth was better as compared to other Asian economies, the domestic infrastructure, capital goods and manufacturing sectors continued to suffer resulting into lower demand for commodities like steel. The steel industry in general suffered during the year under review on account of lower demand, excess supply from domestic and global players. The supply of raw material also surpassed the demand in view of excess capacity in domestic & global markets leading to fall in cost of input like iron ore & coal. Due to improvement in global steel prices consequent upon improvement in Chinese markets on account of various measures taken by Chinese Government like phasing out of high polluting steel plants etc, the finished steel prices bottomed out and saw gradual improvement from Q2FY17 resulting into gradual improvement in steel industry's financial performance in general and your Company's performance in particular leading to flat financial performance for the whole year as compared to previous financial year. However, in the last quarter the realizations for the steel and iron ore pellets were better due to global demand. Your Company's operating margins increased from 10.62% in FY16 to 15.23% FY17.

Stand-alone Operations:

The performance of your Company during the year under review remained sluggish under the prevailing circumstances and overall slowdown in demand growth. The highlights of the financial performance for the year are as under:

a) Net Sales Revenue increased by 0.46% to ₹ 1546.02 crores from ₹ 1538.89 crores recorded in previous year. The top line has contracted mainly on account of fall in prices of finished goods despite highest ever production achieved by the Company in couple of divisions.

b) Operating Profit increased to 11.34% from 10.42% achieved in previous year.

c) The Company registered Net Loss of ₹ 77.44 crores as against net Loss after tax of ₹ 48.23 crores during the previous year. The higher net loss compared to previous year was mainly on account of deferred tax adjustment.

Consolidated Operations:

a) Net sales revenue during the FY 2016-17 decreased by 8.86% to ₹ 1804.41 crores from ₹ 1979.73 crores recorded in previous year.

b) EBITDA Margins increased by 29.67% to ₹ 306.05 crores from ₹ 236.03 crores during previous year.

c) The Company registered Loss before tax of ₹ 78.01 crores as against Loss before tax of ₹ 74.60 crores during the previous year.

The detailed performance and financial review has been given in the Annexure to the Directors Report titled "Management Discussion and Analysis".

5. DEBT RESTRUCTURING & SHARE CAPITAL

On account of cash-flow-mismatch, due to fall in operating margins during past two years, the Company defaulted in repayment of debt to the bank during the period under review. Based on Company's request, the Lenders of the company have, in the joint lenders forum ("JLF") held on January 18, 2017 in terms of the RBI Circular agreed for implementing a Corrective Action Plan (CAP) and accordingly, decided to restructure the existing debt facilities,

As per the terms and conditions of the above restructuring package, Promoters of the Company were to bring ₹ 31 crores by way of equity in the Company.

Accordingly, Promoters and persons acting in concert with the Promoters have subscribed to 24,80,000 equity shares of ₹ 10/- at a premium of ₹ 115/- per share pursuant to the approval of Shareholders of the company in the Extra Ordinary General Meeting held on 6th March, 2017 for issue and allotment of 24,80,000 equity shares of ₹ 10/- each at a premium of ₹ 115/- per share on preferential basis to the Promoters and promoters group of the company. The price was determined pursuant to the provisions of Chapter VII of SEBI (ICDR) Regulations 2009.

The allotment of the aforesaid shares has been done on 21.03.2017 as a result of which the paid up Equity Share Capital has been enhanced from ₹ 32.756 crores to ₹ 35.236 crores and said shares have been listed with both BSE and NSE. None of the Directors of the Company hold convertible instruments of the Company.

6. DEPOSITS

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

7. TRANSFER TO RESERVES

Your Company did not transfer any amount to the General Reserves Account during the Financial Year 2016-17 since company has incurred losses.

8. DIVIDEND

In view of the significant drop in operating performance & in order to conserve the resources, the Board of Directors of the Company have not recommended payment of any dividend for the year under review.

9. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to the provisions of Section 125 of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 20, 2016 (date of last Annual General Meeting) on the Company's website (www.godawaripowerispat.com), as also on the Ministry of Corporate Affairs' website.

10. EXPANSION/NEW PROJECTS:

The capital expenditure planned under earlier capex plan for modernization of SMS division etc. have since been completed and Company has deferred the capex plan for setting up rolling mill.

11. CHANGES IN NATURE OF BUSINESS:

The Company has been engaged in the business of manufacturing the trading of Iron Ore Pellets, Sponge Iron, Steel Billets, HB Wires and generation of Power. There is no change in the nature of Business of the Company during the Financial Year 2016-17.

12. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION:

There are no materials changes and commitments affecting the financial position of the company occurred between the 01.04.2017 to the date of this report. Your Company has pledged 41,13,150 equity shares of ₹ 10/- held in Ardent Steel Ltd (representing 38.93% of paid up share capital of the Company) and 1,18,00,000 equity shares of ₹ 10/- each held in Godawari Energy Ltd with lenders of the Company and its subsidiary pursuant to stipulations in the Restructuring Package of your Company and your Company's subsidiary Company namely Ardent Steel Ltd.

13. CHANGES IN STATUS OF SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

Pursuant to debt restructuring package of Ardent Steel Ltd, Company's subsidiary, approved by the JLF and as per the stipulation made in the said restructuring package, your company has subscribed 5,65,000 equity shares of ₹ 10/- each being 5.35% of total paid-up capital of Ardent Steel Limited (ASL) at a premium of ₹ 50/- per share on 27.03.2016. Consequently, the Company's shareholding in ASL has increased from 75% to 76.34% and ASL continues to be a subsidiary of Company.

During the year under review, your Company has exercised the right of conversion on 31,00,000 Optionally Convertible Cumulative Preference Shares (OCCPSs) of ₹ 100 each into equal number of equity shares of ₹ 10/- each at a premium of ₹ 90/- per share as per the terms and conditions of issue and allotment of respective OCCPS held in Godawari Green Energy Limited (GGEL), a subsidiary of the Company. At the same time M/s. Shiv-Vani Energy Limited, an investor in GGEL has also converted its holdings of 56,00,000 OCCPSs of ₹ 100 each in to equal number of Equity shares of ₹ 10/- each at a premium of ₹ 90/- per share.

Consequent upon allotment of equity shares by Godawari Green Energy Limited upon conversion of OCCPSs, the shareholding of your Company has gone down from 100% to 76.12% in GGEL. However GGEL continues to be subsidiary of our Company.

None of the other companies has either become Subsidiary / Associate of the Company other than the existing Subsidiaries / Associates or has ceased to be Subsidiary / Associate of the Company during the Financial Year 2016-17.

Your Company has also not entered into any new Joint Venture nor terminated any existing Joint Venture during the Financial Year 2016-17.

14. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND JOINT VENTURE COMPANIES:

The performance and financial position of the company's subsidiaries namely, Ardent Steels Limited, Godawari Green Energy Limited, Associate Companies namely Jagdamba Power & Alloys Limited and Hira Ferro Alloys Limited and Joint Venture Companies namely Raipur Infrastructure Company Limited for the Financial Year 2016-17 are given in **ANNEXURE 01**.

The other Subsidiary/Associate/Joint Venture Companies namely Godawari Energy Limited, Godawari Clinkers and Cement Limited, Krishna Global Minerals Limited and Godawari Integrated Steels (India) Limited and Chhattisgarh Captive Coal Mining Limited have not yet started their operations.

15. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 (12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company is given in **ANNEXURE 02**. The Statement showing the names and other particulars of the employees of the company as required under Rule 5 (2 &3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be furnished since none of the employees of the company has received remuneration in excess of the remuneration mentioned in the above mentioned Rule 5 (2) during the financial year 2016-17.

16. CHANGES IN DIRECTORS & KEY MANAGERIAL PERSONS:

During the year under review, the Board of Directors in its meeting held on 28.05.2016 has re-appointed Shri Abhishek Agrawal and Shri Vinod Pillai as Whole-time Directors for a period of 5 years w.e.f. November 09, 2016 and June 01, 2016 respectively.

None of the other Directors or Key Managerial Persons has been appointed or resigned during the Financial Year 2016-17.

In accordance with the provisions of Section 152(6) (c) of the Companies Act, 2013 and the Company's Articles of Association, Shri Vinod Pillai, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

17. CONSTITUTION OF CSR COMMITTEE, CSR POLICY AND INITIATIVES:

The CSR Committee consists of three directors including one Independent Director. The CSR Committee has formulated a CSR policy of the Company for undertaking the activities as specified in Schedule VII to the Companies Act, 2013. The Said policy has been approved and adopted by the Board of directors of the Company, the contents of which have been displayed on the company's website and also given in the Annual Report on CSR activities. (Web link: www.godawaripowerispat.com)

The Annual Report on CSR activities initiated and under taken by the Company during the Financial Year 2016-17 is annexed herewith as an **ANNEXURE-03**.

18. AUDIT COMMITTEE COMPOSITION:

The Audit Committee consists of four directors including three Independent Directors and one Non-Executive Director all having financial literacy.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 based on the representations received from the operating management and Chief Financial Officer of the company:

a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) That your Directors have selected such accounting policies and applied them consistently, and made judgment 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 of the company for that period;

c) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;

d) That your Directors have prepared the annual accounts on a going concern basis;

e) That your Directors had laid down proper internal financial controls to be followed by the company and that such financial controls are adequate and were operating effectively;

f) That your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:

All independent directors of the Company have given declarations as required under the provisions of section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 16(1) (b) of the Listing Agreement.

21. NUMBER OF MEETINGS OF BOARD:

During the year five Board Meetings and four Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report.

22. AUDITORS:

Statutory Auditors

M/s O.P. Singhania and Co., Chartered Accountants, Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and pursuant to section 139 of the Companies Act, 2013, and Rule 6 of the Companies (Audit and Auditors) Rules,2014 they being ineligible for re-appointment have not offered themselves for reappointment. The Audit Committee considering the qualifications and experience of M/s. JDS & CO., Chartered Accountants (Firm Regn. No.018400C) has recommended their appointment as Statutory Auditors of the company for the period from the conclusion of ensuing Annual General Meeting to be held in the year 2017 to the conclusion of Annual General Meeting to be held in the year 2022. The Company has received a certificate from

M/s. JDS & CO. to the effect of their appointment, if made, would be within the limits prescribed under Section 141 (3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment and also satisfies the criteria as mentioned under Section 141 and they have obtained peer review certificate as required under SEBI Guidelines for appointment of Statutory Auditors of listed companies.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules 2014 M/s Sanat Joshi & Associates has been appointed as cost auditors for conducting Cost Audit for the financial year 2016-17.

Internal Auditors

M/s. JDS & Co, Chartered Accountants were appointed as Internal Auditors for the FY 2016-17.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jain Tuteja & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "**ANNEXURE 04**".

23. AUDITOR'S REPORTS

- **Statutory Auditors**

  There are no qualifications, reservations, adverse remarks or disclaimers in the statutory Auditor's Report on the Financial Statements of the company for the financial year 2016-17 and hence does not require any explanations or comments.

- **Secretarial Audit**

  There are no qualifications, reservations, adverse remarks or disclaimers in the Secretarial Auditor's Report on Secretarial and other applicable legal compliances to be made by the company for the financial year 2016-17 and hence does not require any explanations or comments.

24. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into by the Company during the financial year 2016-17 were on arms length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or related parties which may have a potential conflict with the interest of the company at large.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans given, Investments made and corporate guarantees extended by the company as covered under the provisions of Section 186 of the Companies Act, 2013 are given in Standalone Financial Statements (Ref. Notes 6, 13 & 33).

26. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "**ANNEXURE 05**"

27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There are no significant and material orders passed by the Regulators/Courts which would impact the going concern status of the company and its future operations.

28. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

29. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "**ANNEXURE 06**".

30. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors have established 'Whistle Blower Policy' and 'Code of Conduct' for the directors & employees of the Company as required under the provisions of Sec. 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014 and the then Clause-22 of the Listing Agreement.

The said Policy has been properly communicated to all the directors and employees of the Company through the respective departmental heads and the new employees shall be informed about the Vigil Policy by the Personnel Department at the time of their joining.

31. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system commensurate with the size and scale and complexity of its operations.

The scope and authority of Internal Audit functions have been defined in the Internal Audit Charter to maintain its objectivity and independence, the Internal Audit functions reports to the Chairman of the Audit Committee of the Board.

The Internal Audit department monitors and evaluates the efficacy and adequacy of internal control system in the company, its compliance with operating system, accounting procedures and policies of the company and its subsidiaries. Based on the report of the Internal Auditors, process owners undertake corrective actions in their respective areas and thereby strengthen the control. Significant Audit observations and corrective actions, thereon are presented to the Audit Committee of the Board.

32. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The Company has adopted a Risk Management Policy to identify and evaluate business risks associated with the operations and other activities of the Company and formulated risk mitigations strategies.

33. NOMINATION AND REMUNERATION POLICY

Company's Policy on Directors appointment and Remuneration including criteria for determining qualification, positive attributes, independence of directors and other matters provided under section 178(3) of the Companies Act, 2013 is attached herewith as **ANNEXURE 07**

34. ANNUAL EVALUATION OF BOARD, ETC.

The Nomination and Remuneration Committee has formulated criteria for evaluation of the performance of the each of the directors of the company. On the basis of said criteria, the Board and all its committees and directors have been evaluated by the Board of the directors and Independent Directors of the Company.

35. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, Contractual, Temporary, Training) are covered under this Policy. However no complaints has been received during the year 2016-17.

36. CORPORATE GOVERNANCE

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forming an integral part of this Report is given as **ANNEXURE 08**.

37. ACKNOWLEDGEMENTS

The Board expresses its sincere gratitude to the shareholders, bankers, State and Central Government authorities and the valued customers for their continued support. The Board also wholeheartedly acknowledges and appreciates the dedicated efforts and commitment of all employees of the Company.

For and on behalf of Board of Directors

Place: Raipur
Date: 30.05.2017

CHAIRMAN

ANNEXURE-01

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lacs)

Sr. No.	Particulars	Subsidiary						Associate		Joint Venture	
		Godawari Green Energy Ltd.	Ardent Steel Ltd.	Krishna Global Minerals Limited	Godawari Integrated Steels (India) Limited	Godawari Clinkers and Cement Limited	Godawari Energy Limited	Hira Ferro Alloys Ltd.	Jagdamba Power and Alloys Ltd.	Godawari Natural Resources Limited	Raipur Infrastructure Company Ltd.
		31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
		Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
1	(a) Revenue from Operations (Gross)	11134.63	14707.49	0.00	0.00	0.00	0.00	19953.03	0.00	0.00	379.58
	(b) Other Income	218.86	48.47	0.00	0.00	0.32	3.42	673.67	509.15	0.44	35.08
	Total	**11353.49**	**14755.96**	**0.00**	**0.00**	**0.32**	**3.42**	**20626.70**	**509.15**	**0.44**	**414.66**
2	**Expenditure**										
	a) (Increase)/decrease in inventories of finished goods, work in progress, stock in trade and traded goods	(4.72)	(163.30)	0.00	0.00	0.00	0.00	(15.87)	0.00	0.00	0.00
	b) Cost of raw material and component consumed	0.00	5528.01	0.00	0.00	0.00	0.00	13745.40	0.00	0.00	0.00
	c) Excise Duty on sales	0.00	2.90	0.00	0.00	0.00	0.00	1394.94	0.00	0.00	0.00
	d) Employees Benefit Expenses	540.02	473.16	0.00	0.00	0.00	12.10	829.69	15.65	0.00	21.44
	e) Finance Costs	6243.66	2160.85	0.00	0.00	0.00	0.00	626.44	25.79	0.00	0.01
	f) Depreciation & Amortisation Expenses	3076.06	1114.46	0.00	0.00	0.00	0.00	644.21	200.12	0.00	67.02
	g) Other Expenditure	566.63	6118.16	0.81	14.41	0.92	1.04	2809.05	279.57	4.60	272.45
	Total	**10421.65**	**15234.24**	**0.81**	**14.41**	**0.92**	**13.14**	**20033.86**	**521.13**	**4.60**	**360.92**
3	**Profit/(Loss) from ordinary activities before exceptional items and Tax (1-2)**	**931.84**	**(478.28)**	**(0.81)**	**(14.41)**	**(0.60)**	**(9.72)**	**592.84**	**(11.98)**	**(4.16)**	**53.74**
4	**Exceptional items**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	**Profit/(Loss) from ordinary activities before tax (3-4)**	**931.84**	**(478.28)**	**(0.81)**	**(14.41)**	**(0.60)**	**(9.72)**	**592.84**	**(11.98)**	**(4.16)**	**53.74**
6	**Tax Expenses**										
	Current Tax	206.97	0.00	0.00	0.00	0.00	0.00	120.87	50.08	0.00	10.12
	Deferred Tax	76.49	(155.53)	0.00	0.00	0.00	0.00	178.31	(50.64)	0.00	(7.60)
	Tax related to earlier year	0.00	0.95	0.00	0.00	0.00	0.00	0.00	1.71	0.00	(62.53)
7	**Net Profit/(Loss) from ordinary Activities after tax (5-6)**	**648.38**	**(323.70)**	**(0.81)**	**(14.41)**	**(0.60)**	**(9.72)**	**293.66**	**(13.13)**	**(4.16)**	**113.75**

ANNEXURE-01

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in Lacs)

Sr. No.	Particulars	Subsidiary						Associate		Joint Venture	
		Godawari Green Energy Ltd.	Ardent Steel Ltd.	Krishna Global Minerals Limited	Godawari Integrated Steels (India) Limited	Godawari Clinkers and Cement Limited	Godawari Energy Limited	Hira Ferro Alloys Ltd.	Jagdamba Power and Alloys Ltd.	Godawari Natural Resources Limited	Raipur Infrastructure Company Ltd.
		31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
		Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited	Audited
8	**Other Comprehensive income for the year, net of tax**										
	Items that will not be reclassified to profit or loss										
	Re-measurement gain/(loss) on defined benefit plans, net of tax	5.84	0.66	0.00	0.00	0.00	0.00	13.23	0.00	0.00	0.00
	Equity instruments through other comprehensive income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(53.71)
	Items that will be reclassified to profit or loss										
	Profit/(loss) on fair value of financial assets, net of tax	0.00	0.22	0.00	0.00	0.00	0.00	(102.13)	0.65	0.00	17.43
9	**Total comprehensive Income for the year, net of tax**	**654.22**	**(322.82)**	**(0.81)**	**(14.41)**	**(0.60)**	**(9.72)**	**204.76**	**(12.48)**	**(4.16)**	**77.47**
10	Paid up equity share capital (face value of shares of ₹ 10/- each)	2344.70	1056.50	5.00	5.00	5.00	2300.00	1958.85	999.57	5.00	39.24
11	Other Equity	22354.90	4616.51	(3.58)	(15.30)	(1.40)	536.61	10623.91	8408.00	(3.47)	1822.51
12	**Earning Per Share**										
	(a) Basic & Diluted EPS before Extra Ordinary Items	2.77	(3.12)	(1.62)	(28.82)	(1.21)	(0.04)	1.50	(0.13)	(8.32)	19.74
	(b) Basic & Diluated EPS after Extra Ordinary Items	2.60	(3.12)	(1.62)	(28.82)	(1.21)	(0.04)	1.50	(0.13)	(8.32)	19.74

ANNEXURE-02 TO DIRECTORS' REPORT

1. The Ratio of the remuneration of each Director to the Median Remuneration of the employees of the company for the financial year 2015-16:

Name of Director	Designation	Remuneration ₹	Median Remuneration (MR)	Ratio No. of times to MR
Mr. Biswajit Choudhuri	Independent Director	260000	216630	1.20
Mr. Shashi Kumar	Independent Director	200000	216630	0.92
Mr. B. N. Ojha	Independent Director	110000	216630	0.51
Mr. Harishankar Khandelwal	Independent Director	175000	216630	0.81
Ms. Bhavna G. Desai	Independent Director	180000	216630	0.83
Mr. B. L. Agrawal	Managing Director	6000000	216630	27.70
Mr. Abhishek Agrawal	Executive Director	1800000	216630	8.31
Mr. Dinesh Agrawal	Executive Director	1800000	216630	8.31
Mr. Vinod Pillai	Executive Director	1084000	216630	5.00

2. The percentage increase in remuneration of each Director, CFO, CEO, Company Secretary for the financial year 2015-16 as compared to 2014-15:

Name of Director	Desgination	Remuneration 2015-16 ₹	Remuneration 2016-17 ₹	% increase/ (Decrease)
Mr. Biswajit Choudhuri	Independent Director	**520000**	260000	-50.00
Mr. Shashi Kumar	Independent Director	**400000**	200000	-50.00
Mr. B. N. Ojha	Independent Director	**495000**	110000	-77.78
Mr. Harishankar Khandelwal	Independent Director	**455000**	175000	-61.54
Ms. Bhavna G. Desai	Independent Director	**380000**	180000	-52.63
Mr. B. L. Agrawal	Managing Director	**6000000**	6000000	0.00
Mr. Abhishek Agrawal	Executive Director	**1800000**	1800000	0.00
Mr. Dinesh Agrawal	Executive Director	**1800000**	1800000	0.00
Mr. Vinod Pillai	Executive Director	**1080000**	1084200	0.39
Mr. Sanjay Bothra	CFO	**4522937**	3437757	-23.99
Mr. Y. C. Rao	CS	**2397536**	2451012	2.23

3. There is no increase in the remuneration paid to the Directors, CFO, CEO and CS in the financial year 2016-17 .

4. No. Of permanent employees on rolls of the company as on 31.03.2016 is 1897.

5. Explanation on the relationship between average increase in remuneration and the company's performance: No increament has been given to any of the Directors and Key Managerial Personnel.

6. Comparision of remuneration of the Key Managerial Personnel against the company's performance: No increment has been given to any of the Key Managerial Personnel in view of adverse economic conditions of the company.

7. Variation in the market capitalisation of the Company, price earning ratio as on 31.03.2017 and 31.03.2016 and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	as on 31.03.2017	as on 31.03.2016	Variation
Market Capitalisation as on 31.03.2017(₹ in Crores)	**415.61**	174.92	240.69
P/E. Ratio	**(4.83)**	(2.76)	(2.07)
Last Public Offer price(per share)	**81**	81	
Market Price per share	**117.95**	53.40	64.55
percentage increase in market price (per share)		120.88	

8. Average percentile increase already made in the salaries of the employees other than KMPs in the FY 2016-17 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not applicable since no increaments have been given to managerial personnel.

9. Comparison of the remuneration each of the Key Managerial Personnel against the performace of the Company:

Name	Designation	Remuneration ₹ In 2016-17	Gross Turnover in 2016-17	% of Rem. To TO
Mr. B. L. Agrawal	Managing Director	**6,000,000**	**17,493,954,337**	0.03
Mr. Abhishek Agrawal	Executive Director	**1,800,000**	**17,493,954,337**	0.01
Mr. Dinesh Agrawal	Executive Director	**1,800,000**	**17,493,954,337**	0.01
Mr. Vinod Pillai	Executive Director	**1,084,200**	**17,493,954,337**	0.01
Mr. Sanjay Bothra	CFO	**3,437,757**	**17,493,954,337**	0.02
Mr. Y. C. Rao	CS	**2,451,012**	**17,493,954,337**	0.01

10. The key parameters for any variable component of remuneration availed by the directors; **N.A.**

11. The ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during FY 2015-16: **N.A**

12. Affirmation:

It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

ANNEXURE-3 CSR EXPENSES FOR FY: 2016-17

CSR EXPENSES FOR FY: 2016-17

(Amount ₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the Project is covered.**	**Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (In Lac.)**	**Cumulative Expenditure upto the reporting Period.**	**Amount spent: Direct or through implementing agency**
1.	Piyau hut & drinking water in Siltara, Tada & Mandhar in summer for 3 months & Manpower Engaged in Piyau Hut	Drinking Water	Gram Panchayat Tada, Siltara & Mandhar	2.292	2.292	2.292	Direct
2.	Providing salary of 01 night guard & 02 teachers of Govt. Primary & Middle School of village Mandhar & Siltara	Education	Gram Panchayat Siltara& Mandhar	1.128	1.128	1.128	Direct
3.	Expenses incurred in manpower engaged for maintenance of Plantation & Garden in Janpad Office Dharsiwa & Dharsiwa Police Station under CSR	Environment Conservation	Dharsiwa Block	0.532	0.532	0.532	Horticulture Dept of GPIL
4.	Construction Of Rangmanch (Stage) at village Siltara	Infrastructure Development	Gram Panchayat Siltara	0.858	0.858	0.858	Direct
5.	Repairing of road in Siltara Village	Infrastructure Development	Gram Panchayat Siltara	0.036	0.036	0.036	Direct
6.	Training Camp organised for National Level Tenni-Koit players of village Mohadi	Sports	Gram Panchayat Mohadi	0.412	0.412	0.412	Direct

(Amount ₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the Project is covered.**	**Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (In Lac.)**	**Cumulative Expenditure upto the reporting Period.**	**Amount spent: Direct or through implementing agency**
7.	Construction of C.C. Road at Mandhar Ward-11	Infrastructure Development	Gram Panchayat Mandhar	1.111	1.111	1.111	Direct
8.	Operating First Aid Health Centre	Health Care	Peripheral villages of Kachhe AariDongri Mines	53.501	53.501	53.501	Red to Green Health services
9.	Operational cost on E-Sanskar (Free) Computer Training Center, Kachhe	Education	For tribal students of Peripheral village Kachhe Parekodo Tekadhora etc	0.058	0.058	0.058	
10.	Expenses on Water Tankers for providing Safe Drinking Water	Drinking Water	In the Nearby Villages of Mines during Summer	6.158	6.158	6.158	Direct
11.	Expenses on Water Tankers engaged for maintenance of plantation	Environment	In the Nearby Villages of Mines	3.186	3.186	3.186	Direct
12.	Expenses on Water Tankers engaged for dust suppression	Environment	In the Nearby Villages of Mines	9.483	9.483	9.483	Direct
13.	Payment to Gram Panchayat Kachhe for Infrastructural Development	Infrastructural Development	Peripheral villages of Kachhe AariDongri Mines	1.451	1.451	1.451	Through Gram Panchayat Kachhe
14.	Monthly Salary of 15 Community Teachers appointed in the schools	Education	Govt. schools of Kachhe & Parrekodo Gram Panchayat	6.775	6.775	6.775	Direct
15.	Operational cost of Stitching & Tailoring Center at Kachhe & Parrekodo	Women Empowerment	Gram Panchayat Kachhe & Parrekodo	1.270	1.270	1.270	Direct
16.	Operational cost of Piyau Ghar & manpower engaged in piyau Ghar	Drinking Water	Village Kachhe	0.360	0.360	0.360	Direct

(Amount ₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the Project is covered.**	**Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (In Lac.)**	**Cumulative Expenditure upto the reporting Period.**	**Amount spent: Direct or through implementing agency**
17.	Educational Trip for the students of Govt. School Kachhe & Parrekodo	Education	Kachhe & Parrekodo	0.550	0.550	0.550	Direct
18.	Beautification & landscaping work in front of PWD Rest House Kanker	Infrastructural Development & Environment	Dist-Kanker	6.136	6.136	6.136	Direct
19.	Operational cost of First Aid Health Center, Dorba	Health Care	Village Dorba	45.382	45.382	45.382	Red to Green Health services
20.	29 Community Teachers engaged in Govt. Primary, Middle & High schools of Nearby Villages of Boria Tibu Mines for the session 2016	Educational Support	Peripheral villages of Boria Mines	11.486	11.486	11.486	Direct
21.	Scholarship for higher studies to student of village Dorba	Educational Support	Village Dorba	0.697	0.697	0.697	Direct
22.	Water tanker for Dust Suppression & Drinking Water for villagers	Drinking Water & Environment	Peripheral villages of Boria Mines	1.710	1.710	1.710	Direct
23.	Maintenance & other expenses on garden & Plantation at Collectorate , CSEB office & other locations of Raipur City	Environment	Raipur City	0.252	0.252	0.252	Direct

(Amount ₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified.**	**Sector in which the Project is covered.**	**Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: (In Lac.)**	**Cumulative Expenditure upto the reporting Period.**	**Amount spent: Direct or through implementing agency**
24.	Expenses on Maintenance of Garden & Plantation at Swami Vivekanada International Airport, Raipur	Environment	Raipur City	0.990	0.990	0.990	By HIRA POWER & STEELS LTD.
25.	Expenses on Garden & Plantation of Tatibandh Chowk	Environment	Tatibandh Chowk, Raipur	15.160	15.160	15.160	By R.R.Ispat
26.	Expenses on Plantation at Industial Area Siltara Chowk	Environment	Siltara	7.765	7.765	7.765	By R.R.Ispat
27.	Maintenance & other expenses on garden & Plantation at RKC Compound	Environment	Raipur City	4.187	4.187	4.187	By R.R.Ispat
28.	Maintenance & other expenses on garden & Plantation at Railway Station	Environment	Raipur City	2.234	2.234	2.234	By R.R.Ispat
29.	Maintenance & other expenses on garden & Plantation at NIT College	Environment	Raipur City	5.499	5.499	5.499	By R.R.Ispat
30.	Development of Garden & Fountain in Telibandha (Manpower, Land escaping, Plantation etc.)	Environment	Telibandha Pond, Raipur	18.330	18.330	18.330	By R.R.Ispat
		TOTAL		**208.989**	**208.989**	**208.989**	

ANNEXURE-04 TO DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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]

To,

The Members,

Godawari Power & Ispat Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Godawari Power & Ispat Limited** (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 my opinion thereon.

Based on my verification of **Godawari Power & Ispat Limited** 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 my opinion, the Company has, during the audit period covering the financial year ended March 31, 2017, 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 for the financial year ended on March 31, 2017 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder; to the extent of External Commercial Borrowings;
5. 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;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
    d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
6. The Following Act, are specially applicable to the Company
    a. Mines Act, 1952
    b. Mines & Minerals (Development 7 Regulation) Act, 1957
    c. Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Cess Act, 1976
    d. Iron Ore Mines, Manganese Ore Mines & Chrome Ore Mines Labour Welfare Fund Act, 1976

    The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the year under report:

    a. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

b. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

c. The Securities and Exchange Board of India (Employees Stock Option Scheme & Employees Stock Purchase Scheme) Guidelines, 1999;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below.

1. The Company was required to file Form CHG-1 for the Charge ID 10614425 for modification of Charge on or before 18.08.2016 but filed on 22.08.2016 with additional fees of ₹ 1200/-.

2. The Company was required to file Form CHG-1 for the Charge ID 10614421 for modification of Charge on or before 18.08.2016 but filed on 23.08.2016 with additional fees of ₹ 1200/-.

3. The Cost Audit Report for Financial Year 2014-15 was filed with the Central Government on 24.06.2016 in Form CRA-4 with additional fees of ₹ 7200/-.

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 provision 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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.

We further report that during the audit period, the Company has not taken any actions having a major bearing on the Company's affairs in pursuance of the above applicable laws, rules, regulations, guidelines, standards etc. referred to above.

We further report that during the audit period the Company has made Preferential Allotment of 24,80,000 Equity Shares of face value of ₹ 10/- Each at a price of ₹ 125/-(Rupees One Hundred Twenty Five Only) including a premium of ₹ 115/- per Share & has complied with all applicable provisions of the Companies Act, 2013 & SEBI Regulations and Guidelines.

FOR JAIN AND TUTEJA ASSOCIATES

Tanveer Kaur Tuteja
(Partner)
Practicing Company Secretary
M. No.:7704
C. P. No.:8512

Place: Raipur
Date: 11.05.2017

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
Godawari Power & Ispat Limited

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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. 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. Where ever 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.

FOR JAIN AND TUTEJA ASSOCIATES

Tanveer Kaur Tuteja
(Partner)
Practicing Company Secretary
M. No.:7704
C. P. No.:8512

Place: Raipur
Date: 11.05.2017

ANNEXURE-05 TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

[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	
CIN	L27106CT1999PLC013756
Registration Date :	21.09.1999
Name of the Company:	GODAWARI POWER AND ISPAT LIMITED
Category / Sub-Category of the Company:	PUBLIC COMPANY LIMITED BY SHARES INDIAN NON-GOVERNMENT COMPANY
Address of the Registered office and contact details:	Plot No. 428/2, Phase I, Industrial Area, Siltara, Dist. Raipur Chhattisgarh, Phone : +91-771-408 2333 Fax : +91-771-408 2234 Website : www.godawaripowerispat.com
Whether listed company:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited C-101,247 Park,L B S Marg, Vikhroli West, Mumbai-400083. Phone : 022-4918 6270 l Fax : 022-4918 6060 Email : rnt.helpdesk@linkinitime.co.in

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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Iron Ore Pellets	13100	26.69%
2	Sponge Iron	27120	19.90%
3	Steel Billets	27141	14.68%
4	H.B. Wires	27181	18.20%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S .No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable Section
1.	Godawari Clinkers & Cement limited	U26940CT2008PLC020925	Subsidiary	100.00%	2(87)
2.	Krishna Global & Mineral Limited	U13200CT2008PLC020673	Subsidiary	100.00%	2(87)
3.	Godawari Integrated Steel (India) Limited	U27100CT2010PLC022146	Subsidiary	100.00%	2(87)
4.	Ardent Steel Limited	U27310CT2007PLC007671	Subsidiary	76.34%	2(87)
5.	Godawari Green Energy Limited	U40102CT2009PLC021285	Subsidiary	76.12 %	2(87)
6.	Godawari Energy limited	U40100CT2008PLC020552	Subsidiary	51.30%	2(87)
7.	Hira Ferro Alloys Limited	U27101CT1984PLC005837	Associate	48.45%	2(6)

S .No.	Name and address of the company	CIN/GLN	Holding/ subsidiary / associate	% of shares held	Applicable Section
8.	Chhattisgarh Ispat Bhumi Limited	U45303CT2004PLC017186	Associate	35.36%	2(6)
9.	Jagdamba Power & Alloys Limited	U27104CT1999PLC013744	Associate	26.06%	2(6)
10.	Raipur Infrastructure Company Limited	U45203CT2004PLC016321	Joint Venture	33.30%	2(6)
11.	Chhattisgarh Captive Coal Mining Limited	U01410CT2005PLC018224	Joint Venture	25.93%	2(6)
12.	Godawari Natural Resources Limited	U14200CT2008PLC020926	Joint Venture	33.88%	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Percentage Change during the year #
	Demat	Physical	Total	% of Total Shares @	Demat	Physical	Total	% of Total Shares @	
A. Promoters & Persons Acting in Concert with Promoters									
(1) Indian									
a) Individual/HUF	18125684	0	18125684	55.34	18925684	0	18925684	53.71	-1.62
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2005169	0	2005169	6.12	3685169	0	3685169	10.46	4.34
e) Banks / FI	0	0	0	0	0	0	0	0	0
f)Any Other/PAC	1125000	0	1125000	3.43	1125000	0	1125000	3.19	-0.24
Sub-total (A) (1)	**21255853**	**0**	**21255853**	**64.89**	**23735853**	**0**	**23735853**	**67.36**	**2.47**
2.Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoters & PAC (A) = (A)(1)+(A)(2)	**21255853**	**0**	**21255853**	**64.89**	**23735853**	**0**	**23735853**	**67.36**	**2.47**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1649994	0	1649994	5.04	0	0	0	0	-5.04
b) Banks / FI	213590	0	213590	0.65	215971	0	215971	0.61	-0.04
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Percentage Change during the year #
	Demat	Physical	Total	% of Total Shares @	Demat	Physical	Total	% of Total Shares @	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	1532	0	1532	0	1532	0	1532	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	**1865116**	**0**	**1865116**	**5.69**	**217503**	**0**	**217503**	**0.62**	**-5.08**
2. Non-Institutions									
a) Bodies Corp									
i) Indian	1433249	0	1433249	4.38	1500694	0	1500694	4.26	-0.12
ii) Overseas	0	0	0	0.00	0	0	0	0	0
b) Individual									
i) Individual shareholders holding nominal share capital in upto ₹ 1 lakh	4761262	687	4761949	14.54	4827938	707	4828645	13.70	-0.83
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1604943	0	1604943	4.90	3135065	0	3135065	8.90	4.00
c) Others									
i) Clearing Member	86925	0	86925	0.27	347351	0	347351	0.99	0.72
ii) Trust	100	0	100	0	100	0	100	0	0
iii) NRI (Repat)	194624	0	194624	0.59	166341	0	166341	0.47	-0.12
iv) NRI (Non Repat)	53567	0	53567	0.16	53210	0	53210	0.15	-0.01
v) Other Director	578900	0	578900	1.77	596900	0	596900	1.69	-0.07
vi) HUF	921021	0	921021	2.81	654585	0	654585	1.86	-0.95
Sub-total (B)(2)	**9634591**	**687**	**9635278**	**29.42**	**9634591**	**707**	**9635278**	**27.34**	**-2.07**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**11499707**	**687**	**11500394**	**35.11**	**11499707**	**707**	**11500394**	**32.64**	**-2.47**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**32755560**	**687**	**32756247**	**100.00**	**32755560**	**707**	**35236247**	**100.00**	**0.00**

@ During the year our company has allotted 24, 80, 000 equity shares under preferential offer on 21.03.2017, consequent upon said allotment the paid up shares capital of the Company has been increased from 32756247 Shares to 35236247 Shares w.e.f. 21.03.2017. The percentage calculated on the than paid up share capital of the Company. (i.e. paid up share capital as on 01.04.2016 was 32756247 equity shares and as on 31.03.2017 was 35236247 equity shares of ₹ 10/- each.)

Change in percentage is not comparable due to change in equity shares during the year.

i) Category-wise Share Holding

(B) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2016			Share holding at the end of the year as on 31.03.2017			% change in share holding 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	
	Promoters							
1	Bajrang Lal Agrawal	1731398	5.29	1731398	1731398	4.91	1731398	(0.38)
2	N P Agrawal	769346	2.35	747500	769346	2.18	747500	(0.17)
3	Hanuman Prasad Agrawal	1255000	3.83	1255000	1255000	3.56	1255000	(0.27
4	Dinesh Agrawal	1846347	5.64	1846347	1846347	5.24	1846347	(0.40)
	Person Acting in concert with Promoters and Promoters Group							
5	Bajrang Lal Agrawal HUF	1183347	3.61	0	2738932	7.77	0	4.16
6	Kumar Agrawal	1038398	3.17	1000000	2460678	6.98	1000000	3.81
7	Siddharth Agrawal	597119	1.82	0	94000	0.27	0	(1.55)
8	Abhishek Agrawal	817466	2.50	0	85000	0.24	0	(2.26)
9	Vinay Agrawal	500000	1.53		1875466	5.32	0	3.79
10	Pranay Agrawal	250000	0.76	0	250000	0.71	0	(0.05)
11	Prakhar Agrawal	232500	0.71	0	232500	0.66	0	(0.05)
12	Sarita Devi Agrawal	1525729	4.05	1430000	1525729	4.33	1430000	0.28
13	Kanika Agrawal	796771	2.43	0	116100	0.33	0	(2.10)
14	Rashmi Agrawal	689059	2.10	0	0	0	0	(2.10)
15	Reena Agrawal	1028750	3.14	0	101000	0.29	0	(2.85)
16	Madhu Agrawal	940000	2.87	0	50000	0.14	0	(2.73)
17	Jagdish Prasad Agrawal (R.R. Agrawal HUF)	879996	2.69	0	0	0	0	(2.69)
18	Nancy Agrawal	100000	0.31	0	0	0	0	(0.31)
19	Late Suresh Agrawal	625000	1.91	0	625000	1.77	0	(0.14)
20	Late Godawari Agrawal	596958	1.82	0	596958	1.69	0	(0.13)
21	Narayan Prasad Agrawal HUF	475000	1.45	0	475000	1.35	0	(0.10)
22	Dinesh Agrawal HUF	150000	0.46	0	839059	2.38	0	1.92
23	Suresh Kumar Agrawal HUF	97500	0.30	0	778171	2.21	0	1.91
24	Radheshyam Agrawal HUF	-	-	-	480000	1.36	0	100.0
25	Dinesh Kumar Gandhi (GPIL Beneficiary Trust)	1125000	3.43	0	1125000	3.19	0	(0.24)
26	Hira Cement Limited	214517	1.26	0	214517	0.61	0	(0.65)
27	Hira Infra-Tek Limited	1790652	5.47	0	1790652	5.08	0	(0.39)
28	Hira Ferro Alloys Limited	-	-	-	1200000	3.41	0	100.00
29	Alok Ferro Alloys Limited	-	-	-	480000	1.36	0	100.00
	Total	**21255853**	**64.89**	**8010245**	**23735853**	**67.36**	**8010245**	**2.47**

Change in percentage is not comparable due to change in equity shares during the year.

C. Change in Promoters' Shareholding (please specify, if there is no change)

i) Change in Total Promoter's and Promoter's Group Shareholding

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
I		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company @
1	Total Promoter & Promoters Group Shareholding at the beginning of the year	21255853	64.89	21255853	64.89
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): **Preferential Allotment mode on 21.03.2017**	2480000	7.03	2480000	7.03
3	Total Promoter & Promoters Group at the End of the year	23735853	67.36	23735853	67.36

ii) Change in Promoter's and Promoter's Group Shareholding

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
I	**Kumar Agrawal**	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	1038398	3.17	1038398	3.17
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):: **Inter se transfer of shares on 29.03.2017**	1422280	4.04	1422280	4.04
3	At the End of the year	2460678	6.98	2460678	6.98

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
II	**Vinay Agrawal**	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	500000	1.53	500000	1.53
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 29.03.2017**	1375466	3.90	1375466	3.90
3	At the End of the year	1875466	5.32	1875466	5.32

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
III	**Suresh Kumar Agrawal HUF**	**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	97500	0.30	97500	0.30
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): **Inter se transfer of shares on 29.03.2017**	680671	1.93	680671	1.93
3	At the End of the year	778171	2.21	778171	2.21

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
IV	**Reena Agrawal**	**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	1028750	3.14	1028750	3.14
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 29.03.2017**	(927750)	(2.63)	(927750)	(2.63)
3	At the End of the year	101000	0.29	101000	0.29

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
V	**Jagdish Prasad Agrawal (RR Agrawal HUF)**	**No. of shares**	**% of total shares of the company @**	**No. of shares**	**% of total shares of the company @**
	At the beginning of the year	879996	2.68	879996	2.68
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 29.03.2017**	(879996)	(2.49)	(879996)	(2.49)
3	At the End of the year	0	0	0	0

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
VI	**Madhu Agrawal**	**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	940000	2.87	940000	2.87
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 29.03.2017**	(890000)	(2.53)	(890000)	(2.53)
3	At the End of the year	50000	0.14	50000	0.14

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
VII	**Nancy Agrawal**	**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	100000	0.31	100000	0.31
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 29.03.2017**	(100000)	(0.28)	(100000)	(0.28)
3	At the End of the year	0	0	0	0

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
VIII	**Kanika Agrawal**	**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	796771	2.43	796771	2.43
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 30.03.2017**	(680671)	(1.93)	(680671)	(1.93)
3	At the End of the year	116100	0.33	116100	0.33

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
IX	**Siddharth Agrawal**	**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	597119	1.82	597119	1.82
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 30.03.2017**	(503119)	(1.43)	(503119)	(1.43)
3	At the End of the year	94000	0.27	94000	0.27

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
X	**Abhishek Agrawal**	**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	817466	2.50	817466	2.50
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 30.03.2017**	(732466)	(2.08)	(732466)	(2.08)
3	At the End of the year	85000	0.24	85000	0.24

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
XI	**Rashmi Agrawal**	**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	689059	2.10	689059	2.10
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 30.03.2017**	(689059)	(1.96)	(689059)	(1.96)
3	At the End of the year	0	0	0	0

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
XII	**Dinesh Agrawal HUF**	**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	150000	0.46	150000	0.16
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Inter se transfer of shares on 30.03.2017**	689059	1.96	689059	1.96
3	At the End of the year	839059	2.38	839059	2.38

SL. NO.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
XIII	**Bajrang Lal Agrawal HUF**	**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	1183347	3.61	1183347	3.61
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **Preferential Allotment on 21.03.2017**	320000	0.91	1503347	4.27
2	**Inter se transfer of shares on 30.03.2017**	1235585	3.51	1235585	3.51
3	At the End of the year	2738932	7.77	2738932	7.77

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	DEENBANDHU JALAN		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		447832	1.3672	447832	1.3672
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	15.04.2016	Transfer	200	0.0006	448032	1.3678
	06.05. 2016	Transfer	200	0.0006	448232	1.3684
	17.06. 2016	Transfer	900	0.0027	449132	1.3711
	29.07.2016	Transfer	400	0.0012	449532	1.3724
	05.08.2016	Transfer	200	0.0006	449732	1.3730
	12.08.2016	Transfer	497	0.0015	450229	1.3745
	02.09.2016	Transfer	(3918)	(0.0119)	446311	1.3625
	09.09.2016	Transfer	1538	0.0046	447849	1.3672
	16.09.2016	Transfer	505	0.0015	448354	1.3688
	23.09.2016	Transfer	(5707)	(0.0174)	442647	1.3513
	30.09.2016	Transfer	336	0.0010	442983	1.3524
	07.10.2016	Transfer	(482)	(0.0014)	442501	1.3509
	21.10.2016	Transfer	200	0.0006	442701	1.3515
	04.11.2016	Transfer	1120	0.0034	443821	1.3549
	13.01.2017	Transfer	(400)	(0.0012)	443421	1.3537
	27.01.2017	Transfer	(6500)	(0.0198)	436921	1.3339
	03.02.2017	Transfer	8650	(0.0264)	445571	1.3603
	17.02.2017	Transfer	(2237)	(0.0068)	443334	1.3534
	24.02.2017	Transfer	2300	0.0070	445634	1.3605
	10.03.2017	Transfer	(7874)	(0.0240)	437760	1.3364
	17.03.2017	Transfer	10878	0.03321	448638	1.3696
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		448638	1.2732	448638	1.2732

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	**SURESH KANMAL JAJOO**		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		0	0	0	0
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	27.05.2016	Transfer	447185	1.3652	447185	1.3652
	04.11.2016	Transfer	32749	0.0999	479934	1.4652
	13.01.2017	Transfer	20000	0.0610	499934	1.5262
	27.11.2017	Transfer	(52749)	(0.1610)	447185	1.3652
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		447185	1.2691	447185	1.2691

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	**BHAVNA GOVINDBHAI DESAI**		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		477900	1.4590	477900	1.4590
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	10.03.2017	transfer	(75000)	(0.2290)	402900	1.2300
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		402900	1.1434	402900	1.1434

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4	**RAPID ESTATES PVT LTD**		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		303500	0.9265	303500	0.9265
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	0	N.A.	0	0	0	0
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		303500	0.8613	303500	0.8613

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5	**BHADRA JAYANTILAL SHAH**		**No. of shares**	**% of total shares of the company @**	**No. of shares**	**% of total shares of the company@**
A	At the beginning of the year					
	As on 01.04.2016		0	0	0	0
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	22.04.2016	transfer	150000	0.4579	150000	0.4579
	01.07.2016	transfer	41686	0.1272	191686	0.5852
	08.07.2016	transfer	8314	0.0250	200000	0.6106
	14.10.2016	transfer	40000	0.1221	240000	0.7327
	21.10.2016	transfer	35000	0.1068	275000	0.8395
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		275000	0.7804	275000	0.7804

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6	**CHETAN JAYANTILAL SHAH**		**No. of shares**	**% of total shares of the company @**	**No. of shares**	**% of total shares of the company@**
A	At the beginning of the year					
	As on 01.04.2016		0	0	0	0
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	29.04.2016	transfer	50000	0.152643	50000	0.1526
	06.05.2016	transfer	10791	0.032943	60791	0.1856
	13.05.2016	transfer	55721	0.170108	116512	0.3557
	20.05.2016	transfer	8487	0.02591	124999	0.3816
	08.07.2016	transfer	50001	0.152646	175000	0.5342
	22.07.2016	transfer	25000	0.076321	200000	0.6106
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		200000	0.5675	200000	0.5675

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7	ALLAHABAD BANK		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		213590	0.6521	213590	0.6521
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	25.07.2016	transfer	(811)	(0.0024)	212779	0.6496
	27.01.2017	transfer	(27000)	(0.0824)	185779	0.5672
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		185779	0.5272	185779	0.5272

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8	GOVINDBHAI BALDEV BHAI DESAI		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		100000	0.3053	100000	0.3053
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	10.03.2017	transfer	75000	0.2289	175000	0.5342
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		175000	0.4966	175000	0.4966

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9	SANATAN FINANCIAL ADVISORY SERVICES LIMITED		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		160000	0.4885	160000	0.4885
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	0	NA	0	0	0	0
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		160000	0.4540	160000	0.4540

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10	MADHUSUDAN KELA		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		135473	0.4136	135473	0.4136
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	0	NA	0	0	0	0
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		135473	0.3844	135473	0.3844

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
11	TARUN JAIN		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		133900	0.4088	133900	0.4088
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	13.01.2017	transfer	(50100)	(0.1529)	83800	0.2558
	20.01.2017	transfer	(3800)	(0.0116)	80000	0.2442
	10.02.2017	transfer	41583	(0.1269)	121583	0.3712
	31.03.2017	transfer	10735	0.0304	132318	0.3755
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		132318	0.3755	132318	0.3755

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
12	NIRMAL BANG SECURITIES PRIVATE LIMITED		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		128036	0.3909	128036	0.3909
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	01.04.2016	transfer	50	0.0001	128086	0.3910
	08.04.2016	transfer	(52)	(0.0001)	128034	0.3909
	15 .04.2016	transfer	(2058)	(0.0062)	125976	0.3846
	22 .04.2016	transfer	125	0.0003	126101	0.3850
	29 .04.2016	transfer	475	0.0014	126576	0.3864
	06.05.2016	transfer	(5301)	(0.0161)	121275	0.3702
	13.05.2016	transfer	(25062)	(0.0765)	96213	0.2937
	20.05.2016	transfer	100	0.0003	96313	0.2940

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
12	NIRMAL BANG SECURITIES PRIVATE LIMITED		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
	27.05.2016	transfer	1937	0.0059	98250	0.2999
	03.06.2016	transfer	4442	0.0135	102692	0.3135
	10.06.2016	transfer	(42)	(0.0001)	102650	0.3134
	17.06.2016	transfer	(368)	(0.0011)	102282	0.3123
	24.06.2016	transfer	(100)	(0.0003)	102182	0.3119
	30.06.2016	transfer	220	0.0006	102402	0.3126
	01.07.2016	transfer	(9)	0.0	102393	0.3126
	08.07.2016	transfer	782	0.0023	103175	0.3150
	15.07.2016	transfer	209	0.0006	103384	0.3156
	22.07.2016	transfer	(250)	(0.0007)	103134	0.3149
	29.07.2016	transfer	(256)	(0.0007)	102878	0.3141
	05 .08.2016	transfer	(33)	(0.0001)	102845	0.3140
	12.08.2016	transfer	2119	0.0064	104964	0.3204
	19.08.2016	transfer	(245)	(0.0007)	104719	0.3197
	26.08.2016	transfer	(291)	(0.0008)	104428	0.3188
	02.09.2016	transfer	(881)	(0.0026)	103547	0.3161
	09.09.2016	transfer	268	0.0008	103815	0.3169
	16.09.2016	transfer	200	0.0006	104015	0.3175
	30.09.2016	transfer	163	0.0004	104178	0.3180
	07.10.2016	transfer	(23152)	(0.0706)	81026	0.2474
	14.10.2016	transfer	(19670)	(0.0600)	61356	0.1873
	21.10.2016	transfer	(195)	(0.0006)	61161	0.1867
	28.10.2016	transfer	(2600)	(0.0079)	58561	0.1788
	04.11.2016	transfer	2935	0.0089	61496	0.1877
	11.11.2016	transfer	3324	0.0101	64820	0.1979
	18.11.2016	transfer	1241	(0.0037)	66061	0.2017
	25.11.2016	transfer	(4694)	(0.0143)	61367	0.1873
	02.12.2016	transfer	861	0.0026	62228	0.1900
	09.12.2016	transfer	(571)	(0.0017)	61657	0.1882
	16.12.2016	transfer	(1023)	(0.0031)	60634	0.1851
	23.12.2016	transfer	(3487)	(0.0106)	57147	0.1745
	30.12.2016	transfer	(941)	(0.0028)	56206	0.1716
	06.01.2017	transfer	5856	0.0178	62062	0.1895
	13.01.2017	transfer	5319	0.0162	67381	0.2057
	20.01.2017	transfer	(9992)	(0.0305)	57389	0.1752
	27.01.2017	transfer	(2406)	(0.0073)	54983	0.1679
	03.02.2017	transfer	935	0.0028	55918	0.1707

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
12	NIRMAL BANG SECURITIES PRIVATE LIMITED		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
	10.02.2017	transfer	(624)	(0.0019)	55294	0.1688
	17.02.2017	transfer	1771	0.0054	57065	0.1742
	24.02.2017	transfer	956	0.0029	58021	0.1771
	03.03.2017	transfer	(1949)	(0.0059)	56072	0.1712
	10.03.2017	transfer	(714)	(0.0021)	55358	0.1690
	17.03.2017	transfer	(585)	(0.0017)	54773	0.1672
	24.03.2017	transfer	(129)	(0.0003)	54644	0.1550
	31.03.2017	transfer	22326	(0.0633)	76970	0.2184
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		76970	0.2184	76970	0.2184

Sl. No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
13	ICICI PRUDENTIAL VALUE DISCOVERY FUND		No. of shares	% of total shares of the company @	No. of shares	% of total shares of the company@
A	At the beginning of the year					
	As on 01.04.2016		1649994	5.0372	1649994	5.0372
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	22.04.2016	transfer	(184479)	(0.5631)	1465515	4.4740
	29.04.2016	transfer	(142989)	(0.4365)	1322526	4.0375
	06.05.2016	transfer	(9310)	(0.0284)	1313216	4.0091
	17.06.2016	transfer	(4847)	(0.0148)	1308369	3.9943
	24.06.2016	transfer	(24173)	(0.0738)	1284196	3.9205
	30.06.2016	transfer	(100245)	(0.3060)	1183951	3.6144
	01.07.2016	transfer	(6402)	(0.0195)	1177549	3.5949
	08.07.2016	transfer	(23869)	(0.0728)	1153680	3.5220
	15.07.2016	transfer	(38081)	(0.1162)	1115599	3.4058
	22.07.2016	transfer	(26136)	(0.0797)	1089463	3.3260
	29.07.2016	transfer	(10921)	(0.0333)	1078542	3.2926
	05.08.2016	transfer	(10608)	(0.0323)	1067934	3.2602
	12.08.2016	transfer	(11916)	(0.0363)	1056018	3.2239
	02.08.2016	transfer	(10086)	(0.0307)	1045932	3.1931
	09.08.2016	transfer	(30211)	(0.0922)	1015721	3.1008
	16.09.2016	transfer	(1333)	(0.0040)	1014388	3.0968
	23.09.2016	transfer	(79593)	(0.2429)	934795	2.8538
	30.09.2016	transfer	(133499)	(0.4075)	801296	2.4462
	07.10.2016	transfer	(615340)	(1.8785)	185956	0.5677
	27.01.2017	transfer	(185956)	(0.5677)	0	0.0000
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		0.00	0.00	0.00	0.00

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
14	VIMAL KUMAR CHAUDHARY HUF		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
A	At the beginning of the year					
	As on 01.04.2016		349185	1.0660	349185	1.0660
B	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):					
	27.05.2016	transfer	(349185)	1.0660	0	0
C	At the end of the year (or on the date of separation, if separated during the year)					
	As on 31.03.2017		0.00	0.00	0.00	0.00

E. Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name of Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares @	No. of shares	% of total shares@
A	**BAJRANG LAL AGRAWAL – MANAGING DIRECTOR - KMP**				
1	At the beginning of the year	1731398	5.28	1731398	5.28
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0.00	0.00	0.00	0.00
3	At the End of the year	1731398	4.91	1731398	4.91
B.	**SHRI ABHISHEK AGRAWAL – DIRECTOR**				
1	At the beginning of the year	817466	2.49	817466	2.49
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):Transfer on 31.03.2017	(732466)	2.08	(732466)	2.08
3	At the End of the year	85000	0.24	85000	0.24
C	**SHRI DINESH AGRAWAL – WHOLE TIME DIRECTOR- KMP**				
1	At the beginning of the year	1846347	5.64	1846347	5.64
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0.00	0.00	0.00	0.00
3	At the End of the year	1846347	5.24	1846347	5.24
D	**MS. BHAVNA GOVINDBHAI DESAI- INDEPENDENT DIRECTOR**				
1	At the beginning of the year	477900+	1.46	477900	1.46
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):Transfer on 08.03.2017	(75000)	(0.23)	(75000)	(0.23)
3	At the End of the year	402900+	1.14	402900	1.14
	In addition to 477900 Shares, she jointly hold 1,00,000 equity shares at the beginning of the year and in addition to 402900 equity shares at the end of the year, she is holding 175000 shares jointly with other shareholders.				

E	**SHRI DINESH KUMAR GANDHI**				
1	At the beginning of the year	0	0.00	0	0.00
2	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer /bonus/sweat equity etc):				
	Acquisition on 20.03.2017	5000	0.01	5000	0.01
	Acquisition on 22.03.2017	10000	0.02	10000	0.02
	Acquisition on 24.03.2017	3000	0.00	3000	0.00
3	At the End of the year	18000	0.05	18000	0.05
F	**SHRI HARI SHANKAR KHANDELWAL-INDEPENDENT DIRECTOR**				
1	At the beginning of the year	1000	0.00	1000	0.00
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the End of the year	1000	0.00	1000	0.00
G	**SHRI Y.C. RAO-– CS – KMP**				
1	At the beginning of the year	17668	0.05	17668	0.05
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0.00	0.00	0.00	0.00
	Disposal on 10.03.2017	(9867)	(0.03)	(9867)	(0.03)
	Disposal on 14.03.2017	(1030)	0.00	(1030)	0.00
	Disposal on 17.03.2017	(6371)	(0.02)	(6371)	(0.02)
3	At the End of the year	400	0.00	400	0.00

Note: The other Directors and Key Managerial Personnel were not holding any shares in the company at the beginning and they neither acquired/sold any shares during the financial year nor holding any shares at the end of the financial year.

@ During the year our company has allotted 24, 80, 000 equity shares under preferential offer on 21.03.2017, consequent upon said allotment the paid up share capital of the Company has been increased from 32756247 Shares to 35236247 Shares w.e.f. 21.03.2017. The percentage calculated on the than paid up share capital of the Company. (i.e. paid up share capital as on 01.04.2016 was 32756247 equity shares and as on 31.03.2017 was 35236247 equity shares of ₹ 10/- each.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment - (₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	10281705202	232200000	0.00	10513905202
ii) Interest due but not paid	11898433		0.00	11898433
iii) Interest accrued but not due	60595316	660960	0.00	61256276
Total (i+ii+iii)	**10354198951**	**232860960**	**0.00**	**10587059911**
Change in Indebtedness during the financial year				
• Addition (including interest)	6948807743	110454795	0.00	7059262538
• Reduction	3556257395	232860960	0.00	3789118355
Net Change	**3392550348**	**(122406165)**	**0.00**	**3270144183**

Indebtedness at the end of the financial year				
i) Principal Amount	13695258134	100000000	0.00	13795258134
ii) Interest due but not paid	0	0	0.00	0
iii) Interest accrued but not due	51491165	10454795	0.00	61945960
Total (i+ii+iii)	**13746749299**	**110454795**	**0.00**	**13857204094**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (In ₹)
		B.L. Agrawal (MD)	Dinesh Agrawal (WTD)	Abhishek Agrawal (WTD)	Vinod Pillai (WTD)	
1	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.00	18.00	18.00	10.84	106.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify…	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	-	-	-	-	-
	Total (A)	60.00	18.00	18.00	10.84	106.84
	Ceiling limit as per the Act	₹ 120.00 Lacs per managerial person as per the provisions of Sec. 197 read with Schedule V of the Companies Act, 2013.				

B. Remuneration to other directors: **(₹ in Lacs)**

Sl. No.	Particulars of Remuneration	Biswajit Choudhuri	B.N. Ojha	Shashi Kumar	Bhavna G Desai	Hari Shankar Khandelwal	Dinesh Gandhi	Total Amount
1.	Independent Directors							
	• Fee for attending board / committee meetings	2.60	1.10	2.00	1.80	1.75	0	9.25
	• Commission	0	0	0	0	0	0	0
	• Others, please specify							
	Total (1)	**2.60**	**1.10**	**2.00**	**1.80**	**1.75**	**0**	**9.25**
2.	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	0	0	0	0	0	0	0
	• Commission							
	• Others, please specify							
	Total (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total (B)=(1+2)	**2.60**	**1.10**	**2.00**	**1.80**	**1.75**	**0**	**9.25**
	Total Managerial Remuneration Overall Ceiling as per the Act	1% of Net Profit calculated as per the provisions of Sec. 197 & 198 of the Companies Act, 2013 and Maximum of 1.00 lacs Sitting fees for each meeting						

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of KMP		Total
		Y C Rao (CS)	Sanjay Bothra (CFO)	
1.	Gross salary	24.12	34.38	58.50
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission – as % of profit - others, specify…	NIL	NIL	NIL
5.	Others, please specify	NA	NA	NA
	Total	**24.12**	**34.38**	**58.50**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
PENALTY					
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

ANNEXURE-06 TO THE DIRECTOR'S REPORT 2016-17

(A)	**CONSERVATION OF ENERGY-**			
(i)	**the steps taken or impact on conservation of energy:**			
Steps Taken: 1. Installation of VFD Drive for Power plant Phase#1 compressor-5 & 6 2. Installation of VFD Drive for Power plant Phase#2 compressor-1 & 2 3. Installation of Bag filter dust injection system in ABC **The impact of above measures:-** 1) Installation of VFD drive in compressors leads to saving in auxiliary power consumption. Energy saving around 3.5 lacs unit per year				
(ii)	the steps taken by the company for initializing alternate sources of energy;			None.
(iii)	the capital investment on energy conservation equipments;			₹ In lacs.
	1.	Installation of VFD Drive for Power plant Phase#1 compressor-5 & 6		9.0
	2.	Installation of VFD Drive for Power plant Phase#2 compressor-1 & 2		9.0
	3.	Steam Generation increased by 3-4 Ton/Hr		
(B)	**TECHNOLOGY ABSORPTION-**			
1.	(i)	the efforts made towards technology absorption;		None
	(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;		None
2.	(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;	None
		(b)	the year of import;	None
		(c)	whether the technology been fully absorbed;	None
		(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	None
	(iv)	the expenditure incurred on Research and Development.		None
(C)	**FOREIGN EXCHANGE EARNINGS AND OUTGO-**			NA
	The Foreign Exchange earned in terms of actual inflows during the year			NA
	Foreign Exchange outgo during the year in terms of actual outflows.			NA

ANNEXURE-07 TO DIRECTORS' REPORT
NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

This Nomination and Remuneration Policy has been framed in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

2. DEFINITIONS

2.1. "Committee" means Nomination and Remuneration Committee.

2.2. "Senior Management Personnel" means Senior Management personnel of the company who are members of its core management team including Functional Heads.

3. NOMINATION POLICY

i. The Committee shall identify persons who possess adequate qualification, expertise and experience for the position he/she is considered for appointment as Director, Key Managerial Personnel (KMP) or at Senior Management level Personnel (SMP) and recommend to the Board his/her appointment.

ii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders.

4. TERM / TENURE

The Company shall appoint or re-appoint any person as its Managing Director, Executive Director, Independent Director or Non-executive Director for a term not exceeding period as mentioned in the Companies Act, 2013 or any amendment made from time to time.

5. EVALUATION

The Committee shall review the performance of every Director at regular interval or at least once in a year.

6. REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

7. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company.

8. REMUNERATION POLICY

The remuneration, compensation, commission, sitting fee, etc. to the Directors, KMP and SMP will be determined by the Committee and recommended to the Board for approval subject to limitations mentioned in the Companies Act, 2013 and the amendments made therein from time to time. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

9. AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Committee.

10. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

11. DISSEMINATION OF POLICY

This policy shall be disclosed in the annual report of the Company.

12. EFFECTIVE DATE

This Policy shall come into force on 14.03.2015.

ANNEXURE-08 TO DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT:

The Board of Directors of the company pays utmost importance on the broad principles of Corporate Governance. The company is complying with the disclosure norms pursuant to relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR, 2015).

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Your Company prides itself on being a responsible corporate citizen, which is committed to running its business in the best possible manner while being completely transparent, complying with all relevant rules & regulations and contributing to society at large. The Company believes that maintenance of Code of Corporate Governance is essential for economic growth of the Company and protecting the interest of all the Stakeholders. Therefore, the Company is trying its best to follow the Code of Corporate Governance.

GPIL's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of listing regulations with stock exchanges, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. The Corporate Governance is based on the principal of truth, transparency, accountability, equity and responsibility in all our dealings with our employees, shareholders, customers, suppliers, government, lenders and community at large.

BOARD OF DIRECTORS:

The Board of Directors has a combination of Executive and Non-Executive Directors. The Board comprises of four Executive Directors (the Managing Director and three Executive Directors) and six Non-Executive Directors including a Woman Director. The Chairman of the Board is an Independent Director and more than 50% of the Directors are Independent Directors including a Woman Director. Accordingly, the composition of the Board is in conformity with SEBI LODR, 2015 and the provisions of the Companies Act, 2013.

Except the Independent Directors and the Managing Director, all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013.

The names and categories of the Directors on the Board and also the number of Directorships and Committee Memberships held by them during 2016-17 in other Companies are as under:

Name of the Directors	Category of Directors	No. of other Director-ship held	No. of Board Meetings attended	Last AGM attended	No. of other Board committees Member *	No. of other Board committees Chairman*
Mr. B. Choudhuri	Chairman, Non-Executive, Independent	04	04	Present	04	01
Mr. B.L. Agrawal	Managing Director - Executive (Promoter)	06	04	Absent	Nil	Nil
Mr. Dinesh Agrawal	Executive (Promoter)	08	03	Absent	Nil	Nil
Mr. Abhishek Agrawal	Executive (Promoter)	04	04	Absent	Nil	Nil
Mr. Vinod Pillai	Executive	08	04	Present	02	Nil
Mr. Dinesh Gandhi	Non-Executive	04	05	Absent	02	Nil
Mr. Shashi Kumar	Non-Executive, Independent	03	04	Absent	Nil	Nil
Mr. B. N. Ojha	Non-Executive, Independent	05	02	Present	03	NIL
Mr. Harishankar Khandelwal	Non-Executive, Independent	06	03	Absent	NIL	Nil
Ms. Bhavna G. Desai	Non-Executive, Independent	03	04	Absent	02	Nil

*Includes membership/Chairmanship of Audit Committee & Stakeholders Relationship Committees only.

Changes in the composition of Directors during the year:

There is no change in the directorship of the Company during the period under review.

Number of Board Meetings held:

During the year 2016-17, the Board met 05 times and agenda papers were circulated well in advance of each meeting to the Board of Directors. In order to ensure fruitful deliberations at the meetings, the Board of Directors of your company is provided with all relevant information on various matters related to the working of the company. The dates on which Meetings of the Board of Directors were held and the number of directors present in each meeting are given below:

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1	28.05.2016	10	07
2	13.09.2016	10	07
3	25.11.2016	10	09
4	07.02.2017	10	09
5	30.03.2017	10	05

RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

Shri Bajrang Lal Agrawal, Managing Director is father of Shri Abhishek Agrawal, Executive Director. Except as disclosed, no Director of the Company is related to any other Director on the Board in terms of the meaning of the term 'Relative' given under the Companies Act, 2013.

AUDIT COMMITTEE:

The Audit Committee consists of one Non-executive Director and three Independent Directors. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18(1) of SEBI LODR, 2015. The Audit Committee comprises of following Directors:

S. No.	Name	Designation
1	Mr. Biswajit Choudhuri	Chairman (Independent Director)
2.	Mr. B. N. Ojha	Member (Independent Director)
3.	Mr. Dinesh Gandhi	Member (Non-Executive Director)
4.	Mr. Harishankar Khandelwal	Member (Independent Director)

The committee met Four times during the year 2016-17 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Audit Committees held on			
		27.05.2016	12.09.2016	24.11.2016*	06.02.2017*
Mr. Biswajit Choudhuri	Chairman (Independent Director)	Present	Present	Present	Present
Mr. Bhrigu Nath Ojha	Member (Independent Director)	Present	Present	Absent	Absent
Mr. Dinesh Gandhi	Member (Non-Executive Director)	Present	Present	Present	Present
Mr. Harishankar Khandelwal	Member (Independent Director)	Present	Absent	Present	Present

*Audit Committee Meetings held on 24.11.2016 & 06.02.2017 were adjourned for the want of quorum hence the adjourned meetings were held on 25.11.2016 & 07.02.2017 respectively.

All the members of the Audit Committee are financially literate as required by Regulation 18 of SEBI LODR, 2015.

The functioning and terms of reference of the Audit Committee the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of Section 177 of the Companies Act, 2013 and SEBI LODR, 2015 as are in force/ applicable from time to time. The brief description of terms and reference of Audit Committee are as follows:

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- to review the functioning of the whistle blower mechanism;
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee consists of one Non-executive Director and two Independent Directors. The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR, 2015. The Audit Committee comprises of following Directors:

Name	Designation
Mr. Shashi Kumar	Chairman (Independent Director)
Mr. B. N. Ojha	Member (Independent Director)
Mr. Dinesh Gandhi	Member (Non-Executive Director)

The committee met once during the year 2016-17 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Audit Committees held on 28.05.2016
Mr. Shashi Kumar	Chairman (Independent Director)	Present
Mr. B. N. Ojha	Member (Independent Director)	Present
Mr. Dinesh Gandhi	Member (Non-Executive Director)	Present

The brief description of terms and reference of Nomination and Remuneration Committee is as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

REMUNERATION POLICY:

The Company follows a policy on remuneration of Directors, Key Managerial Personnel and Senior Management employees.

The remuneration / compensation / commission etc. to the Directors, KMPs and SMPs will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.

Remuneration of Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees and commission as detailed hereunder:

i) The remuneration / commission payable to Non- Executive / Independent Directors shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

ii) The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof as may be decided by the Board from time to time provided that the amount of such fees shall not exceed One Lac rupees per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

iii) Commission may be paid to Non- Executive / Independent Directors within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

iv) The Independent Directors shall not be entitled to any stock option of the Company.

Remuneration of Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

i) The Whole-time Directors/ KMP's and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

ii) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

iii) If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

iv) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Directors.

v) Where any insurance is taken by the Company on behalf of its Whole-time Directors and/or KMPs, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Details of Remuneration of Directors for the financial year ended 31st March, 2017:

The Non-Executive Directors are paid sitting fees within the limit prescribed under Companies Act, 2013 for attending the Board meetings, Audit Committee meetings and other committee meetings. The Company has paid ₹ 30000/- per meeting for attending Board meeting, ₹ 25000/- per meeting for attending the Audit Committee meetings and ₹ 10000/- per meeting for attending other committee meetings as sitting fees.

In addition to the sitting fees, the Company also pays commission to the Non-Executive Directors for their overall engagement and contribution to the Company's business.

The details of remuneration, sitting fees and commission paid to each of the Directors during the year ended 31st March, 2017 are given below:

(₹ in Lacs)

S. No.	Name of the Director	Remuneration	Sitting Fees	Commission	No. of Shares held
1.	Mr. Biswajit Choudhuri	Nil	2.60	Nil	Nil
2.	Mr. Shashi Kumar	Nil	2.00	Nil	Nil
3.	Mr. B. N. Ojha	Nil	1.10	Nil	Nil
4.	Mr. Harishankar Khandelwal	Nil	1.75	Nil	1000
5.	Ms. Bhavna G. Desai	Nil	1.80	Nil	577900*
6.	Mr. B. L. Agrawal	60.00	Nil	Nil	1731398
7.	Mr. Abhishek Agrawal	18.00	Nil	Nil	85000
8.	Mr. Dinesh Agrawal	18.00	Nil	Nil	1846347
9.	Mr. Vinod Pillai	10.84	Nil	Nil	Nil
10.	Mr. Dinesh Gandhi	Nil	Nil	Nil	Nil

*Includes 1,75,000 shares jointly held as second name.

EVALUATION CRITERIA:

Pursuant to the provisions of the companies Act, 2013 and SEBI LODR, 2015, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee consists of two Independent Directors and one Non-executive Director. The detailed composition of the members of the Stakeholders Relationship Committee at present is given below:

Name	Designation
Mr. B. N. Ojha	Chairman (Independent Director)
Ms. Bhavna G. Desai	Member (Independent Director)
Mr. Dinesh Gandhi	Member (Non-Executive Director)

The committee met four times during the year 2015-16 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Stakeholder Relationship Committees held on			
		28.05.2016	13.09.2016	25.11.2016	06.02.2017
Mr. B. N. Ojha	Chairman (Independent Director)	Present	Absent	Absent	Absent
Ms. Bhavna G Desai	Member (Independent Director)	Present	Present	Present	Present
Mr. Dinesh Gandhi	Member (Non-Executive Director)	Present	Present	Present	Present

Compliance Officer

Mr. Y. C. Rao, Company Secretary also functions as the Compliance Officer of the Company.

Investor Grievance Redressal

During the year under review one complaint was received from the shareholder and the complaint has been duly resolved. As on 31st March, 2017, no investor grievance is pending.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee consists of One Independent Director and Two Executive Directors. The detailed composition of the members of the Corporate Social Responsibility Committee at present is given below:

Name	Designation
Mr. Shashi Kumar	Chairman (Independent Director)
Mr. Abhishek Agrawal	Member (Executive Director)
Mr. Vinod Pillai	Member (Executive Director)

The committee met four times during the year 2015-16 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Corporate Social Responsibility Committees held on			
		28.05.2016*	13.09.2016	25.11.2016	07.02.2017
Mr. Shashi Kumar	Chairman (Independent Director)	Present	Present	Present	Present
Mr. Abhishek Agrawal	Member (Executive Director)	Absent	Present	Present	Present
Mr. Vinod Pillai	Member (Executive Director)	Absent	Present	Present	Present

*CSR Committee meeting held on 28.05.2016 was adjourned sine die for the want of quorum.

CSR Committee's Responsibility Statement:

CSR Committees hereby states that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and Policy of the Company.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of three Independent Directors and one Executive Director. The detailed composition of the members of the Risk Management Committee at present is given below:

Name	Designation
Mr. Biswajit Choudhuri	Chairman (Independent Director)
Mr. B.L.Agrawal	Member (Managing Director)
Mr. B. N. Ojha	Member (Independent Director)
Mr. Shashi Kumar	Member (Independent Director)

The committee met three times during the year 2016-17 and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Risk Management Committees held on		
		28.05.2016	13.09.2016	07.02.2017
Mr. Biswajit Choudhuri	Chairman (Independent Director)	Present	Present	Present
Mr. B.L. Agrawal	Member (Executive Director)	Present	Absent	Present
Mr. B. N. Ojha	Member (Independent Director)	Present	Absent	Absent
Mr. Shashi Kumar	Member (Independent Director)	Present	Present	Present

The company has formulated a Risk Management Policy pursuant to the provisions of Companies Act, 2013. The risk management issues are discussed in detail in the report of Management Discussion and Analysis.

ALLOTMENT COMMITTEE

The Board has also constituted an Allotment Committee for allotment of equity shares. The committee met one time during the year 2016-17 for allotment of 24,80,000 equity shares of ₹ 10/- each at premium of ₹ 115/- per share to the persons acting in concert with promoters & promoters group and the attendance of the members at these meetings was as follows:

Name of the Chairman/ Member	Category	Attendance at the Allotment Committee Meeting held on 21.03.2017
Mr. B L Agrawal	Member (Managing Director)	Absent
Ms. Bhavna G Desai	Member (Independent Director)	Present
Mr. Dinesh Gandhi	Member (Non-Executive Director)	Present

Independent Directors' Meeting:

During the year under review, the Independent Directors met on February 07, 2017, inter alia, to discuss:

- Review the performance of independent directors.
- Review the performance of the non-independent Directors.
- Review the performance of the committees and Board as a whole.
- Review the performance of the Chairman of the company, taking into account the views of executive directors and non executive directors.
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors except Mr B. N. Ojha were present at the meeting.

Familiarisation programme for Independent Directors:

The programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to acclimatize them with the processes, businesses and functionaries of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the familiarisation programme has been disclosed on the website of the Company at http://godawaripowerispat.com/investors-information/policies/.

ETHICS/GOVERNANCE POLICIES

At GPIL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, your company has adopted following codes and policies to carry out our duties in an ethical manner.

- Code of Conduct for Directors, Senior Management and Employees
- Whistle Blower Policy
- Policy on Related Party Transactions
- Corporate Social Responsibility Policy
- Policy for determining Material Subsidiaries
- Code of Conduct for Prevention of Insider Trading
- Code of Practices & Procedures For Fair Disclosure of Unpublished Price Sensitive Information

Some of the above codes and policies which are statutorily required to posted on the Company website have been posted accordingly the weblink of which is- http://godawaripowerispat.com/investors-information/policies/

SUBSIDIARY COMPANIES

Pursuant to the provisions contained in SEBI LODR, 2015, the Company has identified M/s Godawari Green Energy Limited (GGEL) as a material subsidiary Company since the investment of the Company in GGEL exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year and accordingly the Board of Directors of the Company have adopted a policy for determining material subsidiaries, the weblink of which is http://godawaripowerispat.com/investors-information/policies/.

The Company has appointed Shri B. N. Ojha as Independent Director on the Board of GGEL pursuant to Regulation 24(1) of SEBI LODR, 2015.

The Unaudited Quarterly Financial Statement and Audited Annual Financial Statements of all the Subsidiary Companies are tabled at the Audit Committee and Board Meetings of the Company.

Copies of the minutes of the Board meetings of all the subsidiary companies are individually given to all the Directors and are tabled at the subsequent board meetings.

Insider Trading Disclosure:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Compliance Officer is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

Code of Conduct:

Pursuant to the Regulation 17(5) of SEBI LODR, 2015, the Board of Directors of the Company have approved and adopted Code of Conduct and Ethics which is applicable to all the Board members, senior management and employees of the Company.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

The code has been circulated to directors and Managerial Personnel, and its compliance is affirmed by them annually.

A declaration to this effect signed by the Managing Director is published in this Report.

DISCLOSURES:

Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI, LODR, 2015 during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website, the weblink of which is http://godawaripowerispat.com/investors-information/policies/

A statement, in summary form, of all the transactions entered into with the related parties in the ordinary course of business, details of individual transactions with related parties are placed before the audit committee for the review.

Disclosure of accounting treatment

The Company has followed all relevant accounting standards while preparing the financial statements and statement of accounts have been drawn in compliance of all applicable accounting standards. The financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

Proceeds from public issues, right issues, preferential issues etc

Your Company has issued 24,80,000 equity shares of ₹ 10/- each at a premium of ₹ 115/- per share aggregating an amount of ₹ 31.00 crores through preferential offer to the below mentioned allottees during the financial year 2016-17. The entire issue proceeds were utilized for working capital requirements.

S. No.	Name of Allottee	Number of Shares allotted
1.	M/s. Hira Ferro Alloys Limited	12,00,000
2.	M/s. Alok Ferro Alloys Limited	4,80,000
3.	M/s. Radheshyam Agrawal HUF	4,80,000
4.	M/s. Bajrang Lal Agrawal HUF	3,20,000

Details of non-compliance by the Company, penalties and strictures imposed etc.:

The company has complied with the requirements of regulatory authorities on capital markets and no penalty/ stricture was imposed on the Company by stock exchange or SEBI or any statutory authority, on any matter related to capital markets during the last one year from the date of its listing on the stock exchanges.

Vigil Mechanism / Whistle Blower Policy:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 and pursuant to Regulation 22 of SEBI LODR, 2015, the Board of Directors of the Company approved the Whistle Blower Policy of the Company establishing a vigil mechanism for Directors and employees of the Company to report genuine concerns. The Vigil mechanism provides for adequate safeguards against the victimisation of employees and directors who avail of the vigil mechanism and also provides for direct access to the nodal officer of the Company nominated by the Audit Committee as its representative through any of the following protocols:

Mr.Y.C.Rao, Company Secretary & Compliance Officer,

Godawari Power & Ispat Limited, First Floor, Hira Arcade, Pandri,

Raipur, Chhattisgarh 492 001.

Tel: +91-771-4082735, Email: yarra.rao@hiragroup.com Fax Number: +91-771 4057601

The said policy has been properly communicated to all the directors and employees of the Company through the respective departmental heads.

Communication with the Shareholders:

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the SEBI LODR, 2015 with the Stock Exchanges.

The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter published within forty eight hours in English and Hindi editions of Business Standard newspaper. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.

The Company also informs by way of intimation to BSE and NSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members.

The Annual Report of the Company, the quarterly / half yearly and the annual results of the Company are also placed on the Company's website: www.godawaripowerispat.com and can be downloaded.

In compliance with SEBI LODR, 2015, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically on NSE & BSE's on-line portal.

A separate dedicated section under 'Investors' Information' on the Company's website gives information on unclaimed dividends and other relevant information of interest to the investors / public.

Particulars of Directors seeking reappointment:

Details of the Director seeking appointment / re-appointment in the Annual General Meeting to be held on 25.09.2017 [in pursuance to Regulations 26(4) and 36(3) of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings are given as under:

A	Name	Shri Dinesh Agrawal	Shri Vinod Pillai
B	**Brief resume**		
	i) Age	44 years	46 years
	ii) Qualification	B.E. (Electrical)	B. Com
	iii) Experience in specific functional area	More than 15 years	More than 20 years
	iv) Date of Appointment on the Board of the company	21.09.1999	28.07.2009
C	Nature of expertise in specific functional areas	He is a whole time Director on the Board of the Company and has been associated with the company's Ferro alloys and steel rolling units.	He has vast experience in purchase, sales, liasioning, administration & logistics management.
D	Name(s) of other listed entities in which the person holds the directorship	N.A	N.A
E	Chairman/Member of the Committee of the Board of Directors of the Company	NIL	Member of the CSR Committee
F	No. of Shares of ₹ 10/- each held by the Directors	1846347	NIL
G	Relationship with Directors inter-se (As per Section 2(77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014	No Relationship with Directors	No relationship with other Directors

Other information to Shareholders:

The location, date and time of the last three Annual General Meetings were as under:

YEAR	DATE	TIME	VENUE
2013-2014	27.09.2014	12.30 p.m.	2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)
2014-2015	19.09.2015	12.30 p.m.	2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)
2015-2016	20.09.2016	12.30 p.m.	2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)

Special Resolution passed in previous three Annual General Meetings:

i) At the Annual General Meeting of the Company held on 27th September, 2014, the following Special Resolutions were passed:

a) Approval for payment of a sum not exceeding 1% p.a. of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, to be paid and distributed amongst the non-executive directors other than the managing director or whole time directors and such payments to be made in respect of profits of the Company for each financial year, for a period of 5 years from the financial year commencing from April 1, 2014.

b) Approval of adoption of new set of Articles of Association of the Company pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014.

c) Approval for providing authority to the Board to borrow any sum or sums of money from time to time exceeding the aggregate of paid up capital and free reserves of the Company upto the limit of ₹ 2000 crores pursuant to the provisions of Section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013.

d) Approval to enter into leave and license agreement with M/s Raipur Complex for taking on rent the office premises at Hira Arcade, Pandri, Raipur, Chhattisgarh, on the terms and conditions as mentioned in the said resolution, pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013.

ii) No special resolution has been passed at the Annual General Meeting for the FY 2014-15 & 2015-16.

iii) During the year under review, no special resolution has been passed through the exercise of postal ballot and no special resolution is proposed to be conducted through postal ballot, however during the year under review, shareholders of the Company in their extra ordinary general meeting held on 06.03.2017 have approved the proposal for issue of 24,80,000 equity shares of ₹ 10/- each at a premium of ₹ 115/- to the persons acting in concert with promoters & promoters group on preferential basis by way of Special Resolution.

GENERAL INFORMATION:

1. Annual General Meeting:

Date	25th September, 2017
Time	12.30 P.M.
Venue:	2nd Floor, Hira Arcade, Near New Bus Stand, Pandri, Raipur (C.G.)

2. Financial Calendar (2017-2018) (tentative) :

Board Meeting (for Financial Result)-

Quarter ending on 30th June 2017	: On or before August 14, 2017
Half-year ending on 30th September 2017	: On or before November 14, 2017
Quarter ending on 31st December 2017	: On or before February 14, 2018
Year ending on 31st March 2018	: On or before May 30, 2018

3. Date of Book Closure : 18th September, 2017 to 25th September, 2017

4. Listing on Stock Exchange & Address : The shares of the company are Listed with National Stock Exchange India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 MH and BSE Limited, Rotunda Building, Dalal Street, Mumbai – 400 001- MH

5. Stock Code (Equity) :

NSE : GPIL

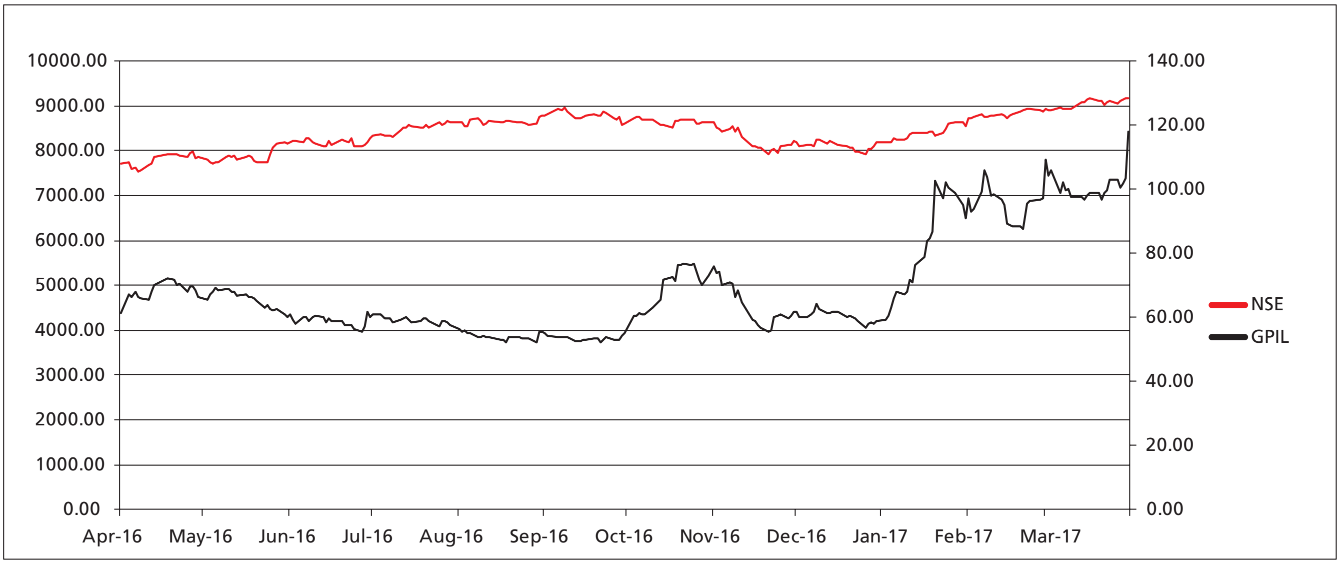
BSE : 532734

ISIN : INE177H01013

6. Stock Code (Non-Convertible Debenture)

BSE	: 947060	ISIN	: INE177H07010
BSE	: 947961	ISIN	: INE177H07044
BSE	: 947618	ISIN	: INE177H07028

7. Market Price Data:



GPIL VS NIFTY

8. The monthly high and low quotations of shares traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited are as follows:

Month	NSE		BSE	
	High Price	Low Price	High Price	Low Price
Apr-16	74.40	53.25	73.40	54.50
May-16	70.90	59.55	70.25	60.00
Jun-16	65.40	54.50	65.30	55.00
Jul-16	62.00	56.15	62.40	56.00
Aug-16	61.00	51.60	58.55	51.50
Sep-16	60.75	51.85	60.50	51.85
Oct-16	82.00	55.45	81.65	56.00
Nov-16	78.50	53.05	78.70	54.00
Dec-16	65.90	56.50	66.00	56.55
Jan-17	106.95	58.00	106.70	58.80
Feb-17	111.05	85.30	111.00	85.95
Mar-17	122.50	96.10	120.90	96.00

9. Name of the debenture trustees with full contact details :-

Axis Trustee Services Limited

(A Wholly Owned Subsidiary of Axis Bank Ltd) Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Near Hard Rock Café Pandurang Budhkar Marg,Worli, Mumbai – 400 025, Maharashtra, India. Ph: 022- 43255233

10. Registrar and Transfer Agent: M/s. Link Intime India Pvt. Ltd.

Link Intime India Private Limited, C-101,247 Park,L B S Marg, Vikhroli, West, Mumbai-400083. Ph: 022-49186270 Fax: 022-49186060 Email: rnt.helpdesk@linkinitime.co.in Website: www.linkintime.co.in

11. Share transfer system:

The company's shares can be dematerialized with the Depositories namely CDSL or NSDL through the Depository Participants. The company's shares are compulsorily traded in the demat mode. Therefore, the investors/shareholders are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DPs) directly to the Share Transfer Agents. Any delay on the part of the DPs to send the DRF and the Share Certificates beyond 15 days from the date of generation of DRN by the DP will be rejected/cancelled. This is being done to ensure that no demat requests remain pending with the Share transfer Agents beyond a period of 21 days. Investors/shareholders should therefore, ensure that their DPs do not delay in sending the DRF and Share Certificates to the Share Transfer Agent after generating the DRN.

12. Distribution of Shareholding as on 31.03.2017:

Shareholding of Nominal Value (₹)	Shareholders		Shares Held	
	Number	% to Total	Number	% to Total
Up to 500	17218	88.7572	1981782	5.6243
501 – 1000	996	5.1343	809394	2.2970
1001- 2000	506	2.6084	767779	2.1790
2001 – 3000	186	0.9588	479927	1.3620
3001 – 4000	89	0.4588	319343	0.9063
4001 – 5000	99	0.5103	469143	1.3314
5001 – 10000	150	0.7732	1080644	3.0669
10001 and above	155	0.7990	29328235	83.2331
Total	**19399**	**100.00**	**35236247**	**100.00**

Shareholding Pattern as on 31st March 2017:

Sl. No.	Category	No. of Shares held	Percentage
1	Promoters and Promoter Group	23735853	67.36
2	Institutional Investors i.e. MFs, FIIs, Banks etc	217503	0.62
3	Bodies Corporate	1500694	4.26
4	NRIs	219551	0.62
5	General Public	9215295	26.15
6	Clearing Member / Trust	347351	0.99
Total		**35236247**	**100.00**

Equity Shares in the Suspense Account

As per Schedule V of Part F of SEBI LODR Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account which were issued pursuant to the public issue.

Sl. No.	Particulars (for the Financial Year 2016-17)	No. of Cases	No. of Equity Shares
1	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the beginning of the year	7	1491
2	Number of shareholders who approached issuer for transfer of equity shares from suspense account during the year	--	--
3	Number of shareholders to whom equity shares were transferred from suspense account during the year	--	--
4	Aggregate number of shareholders and the outstanding equity shares in the suspense account lying at the end of the year*	7	1491

*The voting rights on the equity shares shall be frozen till the rightful owner claims such shares

TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company has credited ₹ 2,10,730.00 to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 / Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 20, 2016 (date of last Annual General Meeting) on the Company's website (www.godawaripowerispat.com) and on the website of the Ministry of Corporate Affairs.

13. Dematerialization of Shares: The Company has entered into agreement with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for dematerialization of its Shares.

14. Investors communication: Mr. Y. C. Rao
Company Secretary & Compliance Officer,
Godawari Power & Ispat Limited
Corporate Office: First Floor, Hira Arcade,
Pandri, Raipur, Chhattisgarh 492 001.
Tel: +91-771-4082735,
E-mail: yarra.rao@hiragroup.com
Fax Number: +91-771-4057601

Investors are requested to please send dividend, annual report related query/grievances etc to our Registrar's office at M/s Link Intime India Private Limited (Registrar and Transfer Agent) at Mumbai.

15. Location of Plant, Registered Office and Corporate Office:

Plant & Registered Office

428/2, Phase-I, Industrial Area, Siltara - 493111,
Dist. Raipur, Chhattisgarh, India.
Tel: +91-771-4082333; Fax: +91-771-4082234
Website: www.godawaripowerispat.com

Corporate Office

First Floor, Hira Arcade, New Bus Stand, Pandri,
Raipur – 492001, Chhattisgarh, India.
Tel: +91-771-4082000; Fax: +91-771-4082732, 4057601
e-mail: corporate@hiragroup.com

Investors Relation Centre:

Synergy Business Park, Unit No. 501-A,Sahakar Wadi,
Off. Aarey Rd, Goregaon East,
Mumbai, Maharashtra 400063 Tel : +91-22-29272324
F: +91-22-29276260
website : www.godawaripowerispat.com

CEO/CFO CERTIFICATION

The Chief Executive Officer and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required in clause 27 of SEBI LODR, 2015 and the said certificate is contained in this annual report.

REPORT ON CORPORATE GOVERNANCE

This chapter, read together with the information given in the chapter titled Management Discussion and Analysis constitute compliance report on Corporate Governance during 2016-17.

For and on behalf of the Board of Directors

Chairman

Place: Raipur
Date: 30.05.2017

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To,

The Board of Directors
Godawari Power and Ispat Limited
Raipur - Chhattisgarh

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of M/s Godawari Power and Ispat Limited ("the Company") to the best of our knowledge and belief certify that:

a) We have reviewed the financial statements and the cash flow statement for the financial year 2016-17 and hereby certify that to the best of our knowledge and belief:-

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

   ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the entity pertaining to financial reporting and have no deficiencies in the design or operation of such internal controls.

d) We have indicated to the auditors and the Audit committee

   1. Significant changes in internal control over financial reporting during the year;

   2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. No significant fraud witnessed during the year

B. L. Agrawal
Managing Director

Sanjay Bothra
Chief Financial Officer

Place: Raipur
Date: 30.05.2017

DECLARATION REGARDING CODE OF CONDUCT

I hereby declare that all the Directors and Senior Management Personnel have affirmed compliance during the financial year 2016-17 with the provisions of Code of Conduct as adopted by the Company.

B. L. Agrawal
Managing Director

Place: Raipur
Date: 30.05.2017

AUDITORS' CERTIFICATE

(On Corporate Governance)

To the Members of Godawari Power and Ispat Limited

We have examined the compliance of conditions of Corporate Governance by Godawari Power & Ispat Limited, for the year ended 31 March 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **O.P. SINGHANIA & CO.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
(Membership No.076961)

Raipur, 30th May, 2017

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL SCENARIO

In 2016, the world crude steel production reached 1628 million tonnes (mt), which showed a growth of 0.8% over 2015. China remained world's largest crude steel producer in 2016 (808mt) followed by Japan (105mt), India (96 mt) and the USA (79mt). World Steel Association has projected Indian steel demand to grow by 5.4% in 2016 and by 5.7% in 2017 while globally steel demand has been projected to grow by 0.2% in 2016 and by 0.5% in 2017. Chinese steel use is projected to decline in both these years - by 1% in 2016 and by 2% in 2017. Per capita finished steel consumption in 2015 is placed at 208 kg for world and 489 kg for China by World Steel Association. (Note: Data for the year 2016 is provisional (source: World Steel Association).

DOMESTIC SCENARIO

The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel. Rapid rise in production has resulted in India becoming the 3rd largest producer of crude steel in 2015 and the country was the largest producer of sponge iron or DRI in the world during the period 2003 to 2015 and was the 2nd largest producer in 2016 (after Iran). As per the report of the Working Group on Steel for the 12th Five Year Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country. These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 11 kg per annum buoyed by projects like Bharat Nirman, low cost housing, incremental demand from defense, railways, Pradhan Mantri Gram Sadak Yojana, among others.

NEW STEEL POLICY:

The Indian steel sector has grown rapidly over the past few years and presently it is the third largest steel producer globally, contributing to about 2% of the country's GDP. India has also crossed 100 MT mark for production for sale in 2016-17. The New steel policy, 2017 aspires to achieve 300MT of steel making capacity by 2030. This would translate into additional investment of ₹ 10 lakh Crore by 2030- 31. The policy seeks to increase consumption of steel and major segments are infrastructure, automobiles and housing. New Steel Policy seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from existing level of around 60 Kg. Potential of MSME steel sector has been recognised. Policy stipulates that adoption of energy efficient technologies in the MSME steel sector will be encouraged to improve the overall productivity & reduce energy intensity. Steel Ministry will facilitate R&D in the sector through the establishment of Steel Research and Technology Mission of India (SRTMI). The initiative is aimed to spearhead R&D of national importance in iron & steel sector utilising tripartite synergy amongst industry, national R&D laboratories and academic institutes. Ministry through policy measures will ensure availability of raw materials like Iron ore, Coking coal and non-coking coal, Natural gas etc. at competitive rates. With the roll out of the National Steel Policy-2017, it is envisaged that the industry will be steered in creating an environment for promoting domestic steel and thereby ensuring a scenario where production meets the anticipated pace of growth in consumption, through a technologically advanced and globally competitive steel industry. This will be facilitated by Ministry of Steel, in coordination with relevant Ministries, as may be required.

Production

India is currently the 3rd largest producer of crude steel in the world. India was the largest producer of sponge iron in the world during the period 2003-2015 and was the 2nd largest producer in 2016 (after Iran). The coal based route accounted for 89% of total sponge iron production in the country in 2015-16.

Data on production for sale of pig iron, sponge iron and total finished steel (alloy/stainless + non-alloy) are given below for last five years and April-Jan. 2016-17:

Indian steel industry : Production for Sale (in million tonnes)

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17*
Total Finished Steel (alloy/stainless + non alloy)	75.70	81.68	87.67	92.16	90.98	101.274

Source: Joint Plant Committee; *prov.

Demand - Availability Projection

Industry dynamics including demand – availability of iron and steel in the country are largely determined by market forces. Presently production of finished steel in India is higher than domestic demand. India was net exporter of finished steel and gaps in demand-availability for certain grades of steel, which are not produced in India are met mostly through imports. Interface with consumers exists by way of a Steel Consumers' Council, which is conducted on regular basis. Interface helps in redressing availability problems, complaints related to quality.

Steel Prices

Price regulation of iron & steel was abolished on 16.1.1992. Since then steel prices are determined by the interplay of market forces. Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others. Looking at substantial fall in steel price past 24 month due to huge increase in import of steel at much lower from CIS and China in calendar year 2014-2015, the Government of India in February, 2016 had imposed the restriction of import of certain steel products in India below the minimum import price (MIP). The curb was partially lifted in August, 2016, followed by imposition of anti-dumping duty on import of steel from certain countries for a period of 5 years. The same has supported the domestic steel prices. Antidumping duty coupled in gradual increase in global steel prices, the India became net exporter of steel in 2016-17, which has also supported domestic steel prices.

Imports

Iron & steel are freely importable as per the extant policy. Data on import of total finished steel (alloy/stainless + non alloy) is given below for last five years and April-Jan. 2016-17:

Indian steel industry : Imports (in million tonnes)

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17*
Total Finished Steel (alloy/stainless + non alloy)	6.86	7.93	5.45	9.32	11.71	**7.43**

Source: Joint Plant Committee; *prov.

Exports

Iron & steel are freely exportable. Data on export of total finished steel (alloy/stainless + non alloy) is given below for last five years and April-Jan. 2016-17:

Indian steel industry : Exports (in million tonnes)

Category	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17*
Total Finished Steel (alloy/stainless + non alloy)	4.59	5.37	5.98	5.59	4.08	8.24

Source: Joint Plant Committee; *prov

Opportunities for growth of Iron and Steel in Private Sector

The New Industrial Policy Regime

The New Industrial policy opened up the Indian iron and steel industry for private investment by (a) removing it from the list of industries reserved for public sector and (b) exempting it from compulsory licensing. Imports of foreign technology as well as foreign direct investment are now freely permitted up to certain limits under an automatic route. Ministry of Steel plays the role of a facilitator, providing broad directions and assistance to new and existing steel plants, in the liberalized scenario.

Forecast of iron and steel demand and production by 2030-31
(All values in MT unless stated)

Sr. No.	Parameters Projections	(2030 – 31)
1	Total crude steel capacity	300
2	Total crude steel demand/production	255
3	Total finished steel demand/production	230
4	Sponge iron demand/production	380
5	Pig iron demand/ production	17
6	Per Capita Finished Steel Consumption	158 in Kgs.

Source: Ministry of Steel, INSDAG, MECON

The Growth Profile

(i) Steel: The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/ expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of the country.

Crude steel capacity was 121.97 mt in 2015-16, up by 11% over 2014-15 and India, which emerged as the 3rd largest producer of crude steel in the world in 2015 as per ranking released by the World Steel Association, has to its credit, the capability to produce a variety of grades and that too, of international quality standards. The country is expected to become the 2nd largest producer of crude steel in the world soon, provided all requirements for creation of fresh capacity are adequately met.

(ii) Pig Iron: India is also an important producer of pig iron. Post-liberalization, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. The private sector accounted for 92% of total production for sale of pig iron in the country in 2015-16. The production for sale of pig iron has increased from 1.6 mt in 1991-92 to 9.23 mt in 2015-16.

(iii) Sponge Iron: India is world's 2nd largest producer of sponge iron with a host of coal based units, located in the mineral-rich states of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 89% of total sponge iron production in the country. Capacity in sponge iron making too has increased over the years and stood at around 43 mt in 2015-16.

TOP TEN STEEL PRODUCING COUNTRIES

Rank	Country	2016 (MnT)	2015 (MnT)	%2016/2015
1.	China	808.4	803.8	4.6
2.	Japan	104.8	105.2	-0.4
3.	India	95.6	89.6	6.0
4.	United States	78.6	78.9	-0.3
5.	Russia	70.8	71.1	-0.3
6.	South Korea	68.6	69.7	-1.1
7.	Germany	42.1	42.7	-0.6
8.	Turkey	33.2	31.5	1.7
9.	Brazil	30.2	31.5	-1.3
10.	Ukraine	24.2	22.9	1.3

(Source: World Steel Association)

Analysis and discussions on financial performance

Review of operating & financial performance – standalone

The performance of your Company during the year under review, specially, during the first half of the year mainly impacted by slowdown in steel demand and higher supply due to increase domestic production, being higher than demand,and pressure imports However, on account of measures taken by the Government of India like imposition of MIP and antidumping duty etc, coupled with improvement in global metal demand, which positively impact steel prices in domestic market in second half of the year, resulting into improvement in margins and flat performance. The operating & financial performance of the Company during the year under review is discussed below in detail:

Production and sales

i. **Production**

During the year under review, production volumes across various divisions were as follows:

Products/ Division	Production in FY2017 (In MT)	Production in FY2016 (In MT)	Year on year growth
Iron ore mining	1175090	657328	78.77
Iron ore pellets	1495100	1580850	(5.42)
Sponge iron	434538	491652	(11.62)
Steel billets	204162	227581	(10.29)
MS rounds	95743	78213	22.41
HB wire	71458	77873	(8.24)
Ferro alloys	13136	13700	(4.12)
Power (Units in crore)	46.15	47.73	(3.31)

Iron Ore Mining:

The iron ore mining increased during the year under review by 78.77 % consequent upon commencement of mining in at Boria Tibu mines and ramp up of production volumes in Ari-dongri mines. The expansion of Ari Dongri mines from capacity of 0.7 million tonnes to 1.4 million tonnes has been completed in FY16 and the expanded capacity has commenced operation in April, 2016 as a result of which the mining increased in FY 2016-17. The higher production from captive mines resulted into better operating margins as compared to last year on account of saving despite flat revenues.

Iron Ore Pelletisation:

Your Company has achieved a capacity utilization of 83% in FY 2016-17. The production of Iron ore pellets decreased marginally during the year by 5.42%. Although we have achieved highest ever production in the combined capacity of 1.8 million tonnes, the capacity utilization would have been much better but owing to demand constraints & difficult market conditions, the production was cut down.

Sponge Iron

The Company operated the sponge iron plant at full capacity and achieved the production volumes of 434538 MT, mainly on account higher shutdown period for maintenance. During FY16 the plant operated at 99% capacity utilization due to higher number of days operation.

Finished Steel & Rolled Products

The production of Steel Billets decreased by 10.29% on yoy basis since the production has been curtailed strategically due to adverse market demand during demonatisation period, as the company had taken shut down in steel melting shop (SMS). The utilization level in the steel billets division is expected to improve in the coming years as the Company undertaken the modernization cum balancing plan in SMS. However, there is scope for improvement in capacity utilization during current year, on account better demand & price environment.

Ferro Alloys:

The Company is making silico manganese, used in steel making. The production of ferro alloys decreased marginally by 4.12% yoy.

Captive Power:

The Company is operating 73 MW of captive power generation capacity out of which 42MW is waste heat recovery, 11 MW thermal coal based and 20 MW bio mass power. The overall production volumes decreased marginally by 3.31% as compared to previous year, as the Company had taken shut down of coal based thermal power plant during demonetization period.

ii. Net sales/income from operations:

Product	FY 2017			FY 2016		
	Sales (MTs) quantity	Net sales (₹ in crore)	Sales Realisation (Per Ton)	Sales quantity (MTs)	Net sales (₹ in crore)	Sales Realisation (Per Ton)
Iron ore pellets	946587	412.69	4360	948111	480.39	5067
Sponge iron	248497	307.72	12383	271627	361.53	13310
Steel billets	103976	226.98	21830	111688	251.41	22510
MS rounds	60182	156.36	25982	16853	45.56	27034
HB wire	70678	197.86	27994	78894	221.54	28081
Ferro alloys	10172	53.60	52696	10370	44.73	43139
Power (Units in crore)		1.39		3.42	4.97	1.45
Others		105.83			128.76	
TOTAL		**1546.02**			**1538.89**	

In fiscal 2016-17, the Company recorded net revenue of ₹ 1546.02 crores against ₹ 1538.89 crores for FY 2015-16, registering marginal increase of 0.46% on year on year basis. The flat net revenues were primarily on account of the substantial fall in the average realization of all the products during the year. The fall was compensated on increase in significant jump in the capacity utilization levels in rolling mill (MS rounds).

iii) Operating and other expenses

The Company's operating and other expenses increased to ₹ 239.05 crore as against ₹ 221.88 crore mainly due to increase in fuel cost and stores & spares operating expenses as percentage of net sales increased by 1.04%.

iv) Employee cost

The employee cost during the year decreased marginally by 2% to ₹ 66.87 crore compared to ₹ 68.24 crore in the previous year.

v) Operating margins (EBIDTA)

The earning before interest, depreciation and taxes increased to 10.11% compared to 9.30% of net sales during the year under review mainly on account of higher production from captive iron ore mines.

vi) Interest and financial charges

Total expenses towards interest and bank charges increased from ₹ 163.18 crore in 2015-16 to ₹ 176.70 crore in 2016-17. The higher interest cost in FY17 was on account of additional cost, due to delayed repayment and conversion of non-fund based exposure into long terms debt consequent upon restructuring of debt by the banks under corrective action plan at the request of the Company.

vii) Depreciation

The depreciation during the year has been provided as per Revised Schedule – II under the Companies Act, 2013. During the year under review the depreciation increased to ₹ 78.18 crores as compared to ₹ 73.07 crores due to capitalisation of plant and machinery and changes on account of implementation of Ind AS.

viii) Profit/Loss before Tax (PBT)

The Company has incurred a net loss before tax and extraordinary items of ₹ 78.01 crore, as against net loss before tax of ₹ 74.60 crore during the previous year.

ix) Provision for taxation

No provision for taxation was required to be made during the year under review.

x) Profit/Loss After Tax (PAT)

The Company registered net loss after tax and extraordinary items of ₹ 77.60 crores as against net loss after tax and extraordinary items of ₹ 48.52 crores during previous year.

xi) Appropriation

Your Company did not transfer any amount to the General Reserves Account during the Financial Year 2016-17 since company has incurred losses.

xii) Provision for dividend and dividend tax

The Board of Directors of your Company could not recommend dividend for the year ended March 31, 2017, since the Company has registered net loss.

xiii) Fixed assets

₹ in crores

Particulars	FY17	FY16	Change	Change %
Gross block	**1584.77**	1435.19	149.58	10.42
Less depreciation	**149.62**	72.74	76.88	106.99
Net block	**1435.15**	1362.45	72.70	05.34
Capital WIP and pre-op expenses	**58.92**	156.80	(97.88)	(62.42)
Net fixed assets	**1494.07**	1519.25	(25.18)	(01.66)

The gross block and depreciation has increased due to addition of plant and machinery by capitlasation of capital work in progress.

xiv) Inventories

The overall value of inventory of raw materials including stock in transit decreased to ₹ 105.16 crore as on March 31, 2017 as compared to ₹ 191.48 crore as on March 31, 2016**.** The average level of holding of raw material stood at 36 days of consumption as compared to a level of 67 days during the previous year. Raw Material inventory decreased due to inventory control measures and lower prices.

xv) Sundry debtors

The debtors outstanding as on 31st March, 2017 were 15 days of sales as compared to 18 days in FY 16, which was in normal range.

xvi) Short-term loans and advances

Loans and advances as on 31st March 2017 stood at ₹ 224.29 crores as against ₹ 185.76 crores on 31st March 2016, which was mainly due to advances to vendors mainly due to increase in advances for coal procurement to South Eastern Coal-fields Ltd and other vendors.

xvii) Other current and financial liabilities

Overall current and financial liabilities decreased from ₹ 686.34 crore to ₹ 160.78 crore mainly due to decrease in trade creditors and decrease in liability for term loan repayable during next one year, consequent upon debt restructuring. Details of current liabilities were as follows:

₹ in crores

Particulars	FY 17	FY 16
Trade payables	**101.38**	431.46
Advances from customers	**11.78**	8.29
Creditors for capital goods	**1.12**	1.24
Current maturities of long-term borrowings	**18.91**	213.84
Others	**30.92**	33.34
Total	**164.11**	**688.17**

xviii) Secured and unsecured loans

At the end of the year, secured term loans (including non-convertible debentures) totaled ₹ 1369.53 crores as against ₹ 1029.36 crore in FY 2016. The increase is owing to incremental borrowing done in year under review mainly for modernization cum expansion in SMS facility as well as iron ore mines and partly for augmenting long term working capital of the Company.

xix) Deferred tax assets

The deferred tax assets as on March 31, 2017 was ₹ 1.90 crores as compared to ₹ 1.26 crores during the previous year.

xx) Key financial indicators:

The key financial ratios of the Company are given below:

Particulars	FY17	FY16
EBIDTA to net sales (%)	**10.11**	9.30
Profit/(Loss) after tax to net sales (%)	**(5.02)**	(3.15)
Earning per share (Basic)	**(24.48)**	(15.34)
Earnings per share (Diluted)	**(24.48)**	(15.34)
Net worth per share	**194.31**	223.18
Current ratio	**1.81:1**	0.76:1
Debt-equity ratio	**2.00:1**	1.16:1

CONSOLIDATED FINANCIAL STATEMENTS

Financial performance

The consolidated financial results of the Company included results from the operations of subsidiary companies i.e. Ardent Steel Ltd, Godawari Green Energy Limited and other subsidiaries and that of Hira Ferro Alloys Ltd. being an Associate Company. The Company achieved net sales of ₹ 1804.41 crore during the year under review as compared to ₹ 1979.73 crore during the previous year and EBITDA of ₹ 306.05 crore as compared to ₹ 236.03 crore during previous year. The EBITDA Margins increased to 15.23% as compared to 10.62% during previous year. The Company has incurred a consolidated net loss of ₹ 73.62 crore as compared net loss after tax of ₹ 99.84 crore in the previous year. The operations of major subsidiary Companies are discussed below:

Godawari Green Energy Ltd (GGEL):

GGEL is operating 50MW Solar Thermal Power plant in Rajasthan. During the year under review the Company has achieved PLF of 22.19% and recorded power generation of 97.47 million units as compared to 98.78 million units in FY16. The Company has achieved net sales of ₹ 111.35 Crores during the year as compared to net sales of ₹ 105.38 crores recorded in previous year. The Company achieved net profit after tax of ₹ 6.54 crores as against net loss of ₹ 0.15 crores in previous year. The Company has entered into long term PPA for 25 years with NTPC Vidyut Vypar Ltd (NVVN) under JNNSM for sale of entire power at a fixed price of ₹ 12.20 per unit.

The operation of power plant is fully settled and operations are running satisfactorily as per available DNI. However the actual DNI at plant location is lower as compared to originally estimated DNI at the time of bidding for the project resulting into lower PLF. This has impacted overall revenue of the Company. In view of lower generation the Company has filed a petition before CERC for revision in tariff and the petition has been accepted by CERC. However the final hearing and disposal of petition is pending.

Hira Ferro Alloys Ltd (HFAL):

The Company is operating ferro alloys manufacturing plant with capacity of 52200 MT and captive thermal power generation of 20MW. The Company also operates 8 MW bio mass power plant. The increase in the realizations of ferro alloys during the current year as compared to previous year have resulted in increase in profits of the company. The Company achieved net sales of ₹ 185.58 crores during the year as compared to net sales of ₹ 186.07 crores in previous year. The Company's operations resulted into net profit after tax of ₹ 2.05 crores as compared to net loss of ₹ 0.33 crores during previous year.

Ardent Steel Ltd

The Company has set up 0.6 million ton pellet plant in Orissa. The Company has achieved net sales of ₹ 144.17 crores during the year as compared to ₹ 158.91 crores in previous year. The Company recorded a net loss of ₹ 3.23 crores as compared to net loss of ₹ 44.37 crores in previous year due to fall in realization of iron ore pellets. The operations of the Company have been restarted with effect from 01.10.2016 after some improvement in the realization due to increase in the international demand for iron ore pellets. The Company has not been able to make payment of dues to lenders and in view of the given scenario the lenders of the Company have implemented SDR scheme under the extent guidelines of RBI in March, 2017.

Risk management

Risk is an integral factor in virtually all businesses. At GPIL, risks are adequately measured, estimated and controlled. Irrespective of the type of risk or the activity that creates it, the Company's fundamental approach to risk management remains the same: identify and measure risks, leverage an in-depth knowledge of the business and competitors and respond flexibly in the understanding and management of risks.

Economy risk

Domestic challenges like inflation, liquidity crunch, slower industrial growth, depreciating rupee, political instability and increasing commodity prices might affect performance.

Risk mitigation:

GPIL correctly anticipated that the challenge of the future would revolve around the timely availability and affordability of resources and raw materials, which translated into timely backward integration initiatives. As a part of this backward integration, the Company manufactures products that are consumed within and also sold to customers; the ability to provide a large and growing customer base from within has helped reduce marketing and costs of inventory, enhancing overall viability. Besides, the savings from captive supply has helped make the product more competitive for external sale, creating a unique win-win proposition. The Company generates significant per cent of its overall resource, raw material or power requirements by value from within, strengthening its overall competitiveness. As a result, integration is not incidental to the Company's existence; it represents its very core.

Industry/Demand risk

The Company may be affected by impact on demand due to the competitive action within the steel sector, import from Asian countries and industry down turn.

Risk mitigation:

The Company has significantly reduced the risks arising from erratic demand through integration of operations and captive production of iron ore and pellets. Besides, the Company's plants are located in a large steel manufacturing belt, making it possible to provide products with speed, periodic delivery and relatively high logistic efficiency, lower working capital cycle within the region. It is estimated that the 90% of the Company's output of pellets, sponge iron and its billets are sold within 200 kms of its plant. The Company's power sales are secured through merchant power sales agreement; the Company is engaged in long-term power sales agreement (25 years) with the government for units generated from its solar thermal power plant.

Technology risk

Technology obsolescence could warrant an increase in investments, affect cash flow and impact profitability.

Risk mitigation:

The Company invested in the latest technologies, which enables it to manufacture quality products. After completion of a project, the Company adapts the technology and builds in-house capabilities for further expansion. It also has a facility for the critical components for the existing units to lower plant downtime and control its operations better. It has also introduced the latest technology in the solar thermal power plant, which will lower the operating expenditure for the Company.

Input risk

In the business of steel manufacture, a number of diverse inputs are required to be progressively taken into the next stage. The challenge lies in an ability to procure these intermediate raw materials at the right cost and in the right time.

Risk mitigation:

The Company's integrated business model which makes it possible for the end product of one business to be positioned as the raw material of another, creating a self-feeding ecosystem within minimal inventory, costing and logistic issues. The Company has also secured captive iron ore mines, in order to protect the input cost for its main raw material i.e. iron ore.

The extent of this integration has strengthened the Company's insulation from external pricing and supply shocks, enhancing input security. Besides, the Company is selectively enhancing production capacities, strengthening input security further.

Project management risk

Delay in project completion could lead to cost overrun.

Risk mitigation:

Over the years, the Company recognised that the principal viability risk was not derived as much from the marketplace as it was from within. Among the factors from within the organisation that affected viability, one of the most critical was the ability of the Company to commission its proposed plants on schedule. It is the Company's experience that timely commissioning creates a foundation of moderate capital cost and triggers revenue inflow to start contributing towards project payback. Over the years, the Company invested in project management with the objective to strengthen overall competitiveness: as a result, the focus graduated from timely commissioning to pre-scheduled commissioning, translating into a probable cost-underrun, accelerated revenue inflow and quicker payback.

This is the Company's project management track record: The Company has successfully commissioned its 1.20 MTPA iron ore Pelletisation plant 7 months ahead of scheduled date of commencement of commercial operations. The Company's 50 MW solar thermal power plant also achieved distinction of being the first company in India within record time much ahead of 6 other similar projects awarded by the government.

Location risk

Locational disadvantage could affect logistic and time schedules, affecting viability.

Risk management:

The Company's manufacturing facility is located at the heart of industrial Chattisgarh at Raipur. The Company's mines are located 150 km from the plant and adjacent to a highway, making logistics management convenient. The Company's location makes it easy to access JNPT port in the West (1,200 kms), Vishakhapatnam port in the South 500 kms and Haldia and Paradeep ports in the East (800 and 600 kms respectively) for the export for ferro alloys and coal import. The Company markets 50 per cent of its pellet output within 200 km from its manufacturing units.

The Company's pellet plant in Orissa is also located at rich belt of Iron Ore in Kenjhor Dist, near to is principal raw material i.e. iron ore fines. The railways siding is located at about 3 KM away from plant for transport of pellet, making it an attractive location for such project.

Similarly the Company's 50 MW Solar Thermal Power Plant is located in Jaisalmer dist in Rajasthan having highest DNI (Solar Resource) in India, which an ideal location for a solar power plant.

Caring for society

GPIL believes that it is imperative to extend beyond the normal course of business and contribute to society.

CSR commitment

The Company's CSR commitment is encapsulated in the following priorities:

* Enhance health-related and educational awareness
* Conduct affairs of our Company in socially beneficial manner

* Understand, support and develop communities and cultures in the vicinity of our plants
* Protect the environment and ensure safety of the people connected with the Company
* Enhance the value of the Company through sustainable and inclusive growth

Education initiatives

1. The Company runs a school (Akansha) for specially-abled students.
2. Conducted E-Sanskar Computer Training for tribal students.
3. Provided salary to night guard & teachers of Government Primary and Middle School of village Mandhar & Mandhar and Jharantola.
4. The Company organised education trip for the students of Govt. School Kachhe & Parrekodo.
5. Salary given to teachers of Govt. School Boria Tibbu, Kachhe & Parrekodo.
6. Construction of Smart Class Room in Kanker District
7. Tuition fee for the meritorious students of village Siltara.
8. Scholarship for higher studies to student of village Dorba.

Health initiatives

1. Operating First Aid Health Centre in the mining area.
2. Creating awareness of health, safety and environment.

Drinking water projects

1. Undertook safe drinking water projects for villages near its plants and mines.
2. Established submersible water pumps in government primary and middle schools in villages.
3. Water tankers were engaged in Piyau Hut and villages during summer season.
4. Deepening and cleaning of Ponds in villages.
5. Repairing of Borewell at village Bhursapara.

Infrastructure development

1. Development of Garden & Fountain in various places in Raipur.
2. Construction and Maintenance of School Building;
3. Constructed Stage for Cultural Programmes;
4. Construction and cleaning of drains and Roads in village Kachhe and Tada;
5. Murum filing (near about 18km), Leveling & Excavation work at village Kuthrel, Pahadi Road, Navatola, Dorba, Tado, Adjaal, Kosmi, Pusewada & Dulki.
6. Maintenance of School ground in peripheral villages of Kachhe.
7. Installation of double sided wall mounted clock (Tower Watch) at Kanker Chowk
8. Installation of Street Lights at Kachhe & Parrekodo Village.
9. Reconstruction of RCC Bridge between village Jakke to Boria

Environment

1. Expenditure incurred for maintenance of plantation, dust suppression and Horticulture & plantation.
2. Planted 5475 saplings in its project area, 1600 saplings on roadsides (covering 3 km) and 20,000 saplings planted at Siltara sub-station area, CSIDC land during 2015-16.
3. Expenditure incurred for Online Air Quality Monitoring System installed in NIT, Raipur

Sports & other community development activities:

1. Promoted sports activities;
2. Teachers Day Celebration by Facilitating Teachers in nearby schools of Mines.
3. Repairing work and Installation of Water Pipeline in Tehsil Office, Mohala for visitors & villagers.
4. CC TV installation Rajnandgaon city.

Sanitation

1. Construction of Toilets in Dharsiwa under Clean India Mission (Swachh Bharat Abhiyan)
2. Clean India Campaign in schools & village in Kachhe & Parekodo

Women Empowerment

1. Establishment and operational Cost of Stitching and Tailoring centre.

For and on behalf of Board of Directors

Place: Raipur
Date: 30.05.2017

Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of Godawari Power & Ispat Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Godawari Power & Ispat Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

   (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(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"; and

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 30 to the standalone Ind AS financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 44 to the standalone Ind AS financial statements.

For OP Singhania & Co.
(ICAI Firm Regn. No. 002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership number: 076961
Raipur, 30th May, 2017

ANNEXURE - A TO THE AUDITORS' REPORT

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

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, all major assets except certain low value items viz furniture & fixtures and office equipment have been physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were notice.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company except the immovable properties transferred on amalgamation of the erstwhile RR Ispat Limited and Hira Industries Limited held in their name.

(ii) As explained to us, the physical verification of inventories have been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) The company has granted unsecured loan to one company covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that:

(a) The terms & conditions of the grant of such loan are not prejudicial to the interest of the Company.

(b) As explained to us the principal amounts are repayable on demand, whereas the interest is payable annually at the discretion of the Company and the repayments or receipts are regular.

(c) Since the amount outstanding is not overdue, therefore, the provisions of clause 3 (iii)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(iv) In our opinion and according to the information & explanations given to us, the Company has compiled with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public, in terms of 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 rules framed thereunder; therefore the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(vi) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.

(vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities though there has been delay observed in some cases. Further, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following:

Name of Statute	Nature of Dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of Duty on Structural items GPIL	2008-09 to 2009-10	31.00	High Court of CG at Bilaspur.
Central Excise Act, 1944	Demand on account of Cenvat credit denial HIL	2007-08	7.78	CESTAT, NEW DELHI
Service Tax	Demand of Service tax on value of retention quantity of Iron ore fines HIL	2009-10 to 2010-11	75.99	CESTAT, NEW DELHI
Service Tax	Demand of Service Tax on recovery of Incidental charges HIL	2005-06 to 2006-07	48.96	CESTAT, NEW DELHI
Service Tax	Demand of Service Tax-Suppression of value-retention of Iron ore fines HIL	2011-12	57.30	CESTAT, NEW DELHI
Customs Act, 1962	Demand of Customs duty on imported Coal due to classified as Bituminous Coal GPIL	2012-13	10.00	CESTAT, HYDERABAD
Central Excise Act, 1944	Denial of Cenvat credit on security services employed outside factory. GPIL	2009-10 to 2013-14	4.80	CESTAT, NEW DELHI
Customs Act, 1962	Finalization of Project Import – Pellet Plant	NA	33.64	CESTAT, HYDERABAD
Service Tax	Demand of ST on charges relating to ECB Loan availed - Penalty U/s 77& 78	2006-07 to 2011-12	119.88	CESTAT, BANGALORE

Name of Statute	Nature of Dues	Period	Amount (₹ in lacs)	Forum where dispute is pending
Central Excise Act, 1944	Penalty u/s 76. CESTAT vide its Final Order No. A/53176/2017-SM(BR) dated 27.04.2017 remanded the matter to original adjudicating authority on deciding the quantum of penalty u/s 76.	2006-07 & 2008-09	8.52	CESTAT, NEW DELHI
Central Excise Act, 1944	Denial of Service Tax credit on air travel services, copy right services, architect service etc.	July 2010 to Dec. 2014	7.79	The Commissioner (Appeals) Raipur.
Central Excise Act	Denial of benefit of captive consumption Note No. 67/95 on Oxygen Gas used for repair & maintenance.	Oct 2014 to March 2015	0.39	The Commissioner (Appeals) Raipur
Central Excise Act, 1944	Duty on Oxygen Gas.	(April 2015 to Sept 2015)	2.72	The Commissioner (Appeals), Raipur
Service Tax	Reversal of Service Tax Credit on Removal of Inputs (Butt Welding) as such.	July, 2015 to March, 2016	0.08	Commissioner (Appeals), Central Excise, Customs & Service Tax, Raipur.
Income Tax Act, 1961	Income Tax demand in respect of disallowance made	A.Y. 2012-13	390.86	Commissioner of Income Tax (Appeals), Raipur
Income Tax Act, 1961	Disallowance made in respect of erstwhile R.R. Ispat Limited	A.Y. 2008-09	3.24	Commissioner of Income Tax (Appeals), Raipur
C.G. Commercial Tax	Non receipt of sales tax declaration form	2011-12	16.56	Deputy Commissioner, (Appl) Commercial Taxes, Raipur
Chhatisgarh Upkar Adhiniyam 1981	Energy Development Cess	May 2006 to Feb 2014	3279.08	Supreme Court

(viii) Based on our audit procedures, and according to the information and explanations given to us, during the year, the company has defaulted in repayment of loans, borrowings and dues to debenture holders from June' 2016 to February' 2017. However the loan, borrowings and debentures have been restructured/ rescheduled by the banks, financial institution & debenture holders and as on the balance sheet date there was no default exist.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). According to the information and explanations given to us, and in our opinion, the term loans have been applied progressively for the purpose for which the loans were obtained.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xi) The Company has provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

(xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(xiv) During the year the company has made preferential allotment i.e. private placement of shares with due compliance of Section 42 of the Act and relevant SEBI Regulations. The private placement of shares have been made in accordance with the fulfillment of requirement of restructuring of borrowings made by the bankers and financial institutions.

(xv) The Company has not entered into any non-cash transactions as referred in Section 192 of the Act with its directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For OP Singhania & Co.
(ICAI Firm Regn. No.002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership number: 076961
Raipur, 30th May, 2017

ANNEXURE - B TO THE AUDITORS' REPORT

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 Godawari Power & Ispat Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone 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 standalone 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For OP Singhania & Co.
(ICAI Firm Regn. No.002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership number: 076961
Raipur, 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in lacs)

Particulars	Note No	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4	**133,439.51**	127,570.48	130,587.20
(b) Capital work-in-progress		**5,892.49**	15,680.27	10,875.59
(c) Other intangible assets	5	**10,075.95**	8,674.83	4,263.20
(d) Intangible assets under development		**-**	815.28	508.40
(e) Financial assets				
(i) Investments	6	**27,976.12**	27,645.87	29,939.27
(ii) Other financial assets	7	**-**	-	1,565.67
(iii) Deferred tax assets (Net)	8	**189.57**	125.53	-
(f) Other non-current assets	9	**489.99**	344.27	450.56
(2) Current-assets				
(a) Inventories	10	**27,023.33**	38,561.97	30,851.49
(b) Financial assets				
(i) Trade Receivables	11	**7,369.25**	8,624.01	10,398.93
(ii) Cash and cash equivalents	12	**2,102.36**	2,576.80	1,385.15
(iii) Bank balances other than Cash and cash equivalents mentioned above	12	**1,679.59**	4,634.01	2,519.11
(iv) Loans	13	**6,261.27**	5,678.07	1,163.00
(c) Current tax assets (net)		**199.22**	310.54	-
(d) Other current assets	9	**16,167.67**	12,898.63	20,854.59
Total Assets		**238,866.33**	254,140.54	245,362.15
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	14	**3,411.12**	3,163.12	3,163.12
(b) Other equity		**65,055.19**	69,942.67	75,353.01
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	**136,061.27**	83,873.87	77,508.41
(b) Deferred tax Liabilities (Net)	8	**-**	-	2,542.85
(c) Provisions	16	**579.18**	383.46	289.21
(d) Other non-current liabilities	17	**183.34**	236.64	297.84
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	**17,130.56**	27,699.28	25,882.32
(ii) Trade Payables	19.1	**10,137.94**	43,146.23	41,979.53
(iii) Other Financial Liabilities	19.2	**2,420.31**	22,190.55	16,215.94
(b) Other current liabilities	20	**3,853.09**	3,481.94	1,931.73
(c) Provisions	16	**34.32**	22.78	25.34
(d) Current tax liabilities (Net)		**-**	-	172.86
Total Equity and Liabilities		**238,866.33**	254,140.54	245,362.15
Summary of significant accounting policies	2.1			
First time adoption of Ind AS	3.1			

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **OPSinghania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Particulars	Notes	2016-17	2015-16
INCOME			
Revenue from operations	21	**173,565.82**	172,554.75
Other Income	22	**1,373.72**	1,226.68
TOTAL REVENUE (I)		**174,939.54**	173,781.43
EXPENSES			
Cost of raw material and component consumed	23	**106,189.04**	103,608.79
Purchase of Traded Goods		**618.24**	6,016.90
(Increase)/decrease in inventories of finished goods work-in-progress and traded goods	24	**888.32**	313.06
Excise Duty on sales		**18,963.85**	18,666.10
Employees benefits expenses	25	**6,676.55**	6,823.96
Finance costs	26	**17,670.34**	16,317.77
Depreciation and amortization expenses	27	**7,818.04**	7,307.04
Other Expenses	28	**23,916.02**	22,187.74
TOTAL EXPENSES (II)		**182,740.39**	181,241.36
Profit/(loss) before tax		**(7,800.85)**	(7,459.93)
Tax expenses			
Current tax		**-**	109.42
Deferred Tax		**(57.03)**	(2,746.79)
Total tax expenses		**(57.03)**	(2,637.37)
Profit/(loss) for the year from continuing operations		**(7,743.82)**	(4,822.56)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Actuarial gain or loss on defined benefit plans		**(23.92)**	(44.66)
Income tax relating to items that will not be reclassified to profit or loss		**7.39**	15.25
		(16.53)	(29.41)
Total Comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		**(7,760.34)**	(4,851.97)
Earnings per equity share [nominal value of share @ ₹ 10/-] (31st March, 2016, ₹ 10)	29		
Basic		**(24.48)**	(15.34)
Diluted		**(24.48)**	(15.34)
Summary of significant accounting policies	2.1		
First time adoption of Ind AS	3.2		

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Particulars		2017	2016
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**(7,800.85)**	(7,459.93)
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation/amortization		**7,818.04**	7,307.04
Loss/(profit) on sale of fixed assets		**(162.29)**	(0.09)
Loss/(profit) on sale of non-current investments		**(90.00)**	(11.42)
Provision for gratuity		**207.26**	91.69
Provision/Allowances for credit loss on debtors		**(24.46)**	(877.80)
(Gain)/loss on Derivative interest swap		**(183.86)**	67.43
Interest Expenses		**17,670.34**	16,317.77
Interest Income		**(1,058.22)**	(1,139.60)
Dividend Income		**-**	(60.25)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**16,375.95**	14,234.85
Movements in working capital :			
Increase/(decrease) in trade payables		**(33,008.29)**	1,166.71
Increase/(decrease) in other financial liabilities		**(93.51)**	(17.10)
Increase/(decrease) in other current liabilities		**371.15**	1,550.22
Increase/(decrease) in Other non-current liabilities		**(53.30)**	(61.20)
Decrease/(increase) in trade receivables		**1,254.76**	3,828.12
Decrease/(increase) in inventories		**11,538.64**	(7,710.48)
Decrease/(increase) in short-term loans and advances		**(583.20)**	(4,515.07)
Decrease/(increase) in other current assets		**(3,269.05)**	106.29
Decrease/(increase) in other non-current assets		**(145.72)**	7,955.96
Cash generated from/(used in) operations		**(7,612.57)**	16,538.30
Direct taxes paid (net of refunds		**111.86**	(592.79)
Net Cash flow from/(used in) operating activities	**A**	**(7,500.71)**	15,945.50
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets and CWIP		**(6,167.14)**	(14,377.37)
Proceeds from sale of fixed assets		**1,844.28**	563.96
Proceeds from sale of non-current investments		**120.00**	2,098.74
Increase in non-current investments		**-**	(22.70)
Investments in subsidiary company		**(339.00)**	-
Investments in bank deposits (having original maturity of more than three months)		**-**	(2,114.89)
Proceeds from bank deposits (having original maturity of more than three months)		**2,954.42**	-
Interest received		**1,058.22**	1,139.60
Dividends received		**-**	60.25
Net cash flow from/(used in) investing activities	**B**	**(529.22)**	(12,652.42)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Particulars		2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital including premium		**3,100.00**	-
Redemption of debenture		**(2,459.83)**	(1,458.33)
Proceeds from long-term borrowings		**39,745.72**	28,241.25
Repayment of long-term borrowings		**(4,591.34)**	(14,001.56)
Proceeds from short-term borrowings		**-**	1,816.96
Repayment of short-term borrowings		**(10,568.72)**	-
Interest paid		**(17,670.34)**	(16,317.77)
Dividends paid on equity shares		**-**	(327.56)
Tax on equity dividend paid		**-**	(54.42)
Net cash flow from/(used in) financing activities	**C**	**7,555.49**	(2,101.43)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		**(474.44)**	1,191.65
Cash and Cash Equivalents at the beginning of the year		**2,576.80**	1,385.15
Cash and Cash Equivalents at the end of the year		**2,102.36**	2,576.80
Components of cash and cash equivalents			
Cash in hand		**8.43**	32.78
With banks- on current account		**2,093.93**	2,544.02
		2,102.36	2,576.80

The Statement of Cash Flow has been prepared using Indirect method as per Ind AS 7.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

Equity Share Capital

(₹ in lacs)

Balance as at 01.04.2015	Changes in the equity share capital during the year	Balance as at 31.03.2016
3163.12	0.00	3163.12

Other Equity

	Reserves and Surplus					Equity Instruments through Other Comprehensive Income (Net of Tax)	Other items of Other Comprehensive Income (Gain/ loss on employee benefit) (Net of Tax)	Total
	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings			
Balance at the beginning of the reporting period 01.04.2015	1695.36	17932.05	2375.00	15391.00	38076.04	0.00	0.00	75469.45
Changes in accounting policies or prior period errors-MTM Loss on Derivatives	0.00	0.00	0.00	0.00	(116.43)	0.00	0.00	(116.43)
Restated balance at the beginning of the reporting period 01.04.2015	**1695.36**	**17932.05**	**2375.00**	**15391.00**	**37959.60**	**0.00**	**0.00**	**75353.01**
Actuarial Gain/loss on employee benefit (Net of Tax)	0.00	0.00	0.00	0.00	0.00	0.00	(29.41)	(29.41)
Equity Instruments through Other Comprehensive Income (Net of Tax)	0.00	0.00	0.00	0.00	0.00	(176.39)	0.00	(176.39)
Transferd	0.00	0.00	(360.00)	360.00	0.00	0.00	0.00	0.00
Profit/(loss) for the year	0.00	0.00	0.00	0.00	(4822.56)	0.00	0.00	(4822.56)
Final Dividend & Tax Paid	0.00	0.00	0.00	0.00	(381.98)	0.00	0.00	(381.98)
Balance at the end of the reporting period 31.03.2016	**1695.36**	**17932.05**	**2015.00**	**15751.00**	**32755.06**	**(176.39)**	**(29.41)**	**69942.67**

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

Equity Share Capital

(₹ in lacs)

Balance as at 01.04.2016	Changes in the equity share capital during the year	Balance as at 31.03.2017
3,163.12	248.00	3,411.12

Other Equity

	Reserves and Surplus					Equity Instruments through Other Comprehensive Income (Net of Tax)	Other items of Other Comprehensive Income (Gain/loss on employee benefit) (Net of Tax)	Total
	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings			
Balance at the beginning of the reporting period 01.04.2016	1,695.36	17,932.05	2,015.00	15,751.00	32,755.06	(176.39)	(29.41)	69,942.67
Actuarial Gain/loss on employee benefit (Net of Tax)	0.00	0.00	0.00	0.00	0.00	0.00	(16.53)	(16.53)
Equity Instruments through Other Comprehensive Income (Net of Tax)	0.00	0.00	0.00	0.00	0.00	20.87	0.00	20.87
Profit/(loss) for the year	0.00	0.00	0.00	0.00	(7,743.82)	0.00	0.00	(7,743.82)
On issue of equity shares	0.00	2,852.00	0.00	0.00	0.00	0.00	0.00	2,852.00
Balance at the end of the reporting period 31.03.2017	**1,695.36**	**20,784.05**	**2,015.00**	**15,751.00**	**25,011.24**	**(155.53)**	**(45.93)**	**65,055.19**

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

1. CORPORATE INFORMATION

Godawari Power & Ispat Ltd. (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act. It's shares are listed on two stock exchanges in India. The company is mainly engaged in Generation of Electricity, Mining of Iron Ore and Manufacturing of Iron Ore Pellets, Sponge Iron, Steel Billets, Wire Rods, H.B. Wire and Ferro Alloys.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND PRESENTATION

i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI).

ii) For all periods upto and including the year ended 31st March 2016, the company prepared its financial statements in accordance with accounting standards notified as Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

iii) These financial statements for the year ended 31st March,2017 are the Company's first Ind AS standalone financial statements.

iv) The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) and

- Defined benefit plans - plan assets

v) Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The company has identified twelve months as its operating cycle.

b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

c) Property, Plant and Equipment (PPE)

i) The company has elected to avail the exemption granted by Ind AS 101 'First Time Adoption of the Indian Accounting Standards' to continue with the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (i.e. as on April 1, 2015).

ii) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

iii) The cost of an item of property, plant and equipment is measured at :

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

iv) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.

v) After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.

vi) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

vii) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

viii) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

ix) The company has continued the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognized in financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP, pursuant to para 46A/46AA and D13AA of Ind AS 101, 'First time adoption of Indian Accounting Standards'. Accordingly, the exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset have been adjusted to the cost of the asset and are depreciated over the remaining life of the asset.

d) Capital Work in Progress

i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.

iii) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

e) Intangible Assets

i) The company has elected to avail the exemption granted by Ind AS 101 'First Time Adoption of the Indian Accounting Standards' to continue with the carrying value for all of its Intangible Assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (i.e. as on April 1, 2015).

ii) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

iii) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any.

iv) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

f) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- Leased assets

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

g) Mining Assets

i) Exploration and Evaluation Assets

Upon obtaining the legal rights to explore a specific area but before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the expenditure incurred on finding specific mineral resources are capitalised as Exploration and Evaluation Assets. These expenditure include expenses on acquisition of rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching; sampling; activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource and such other related expenses. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, the Exploration and Evaluation Assets are reclassified as part of the right to mine.

At the initial recognition the Exploration and Evaluation Assets are measured at cost. After recognition, the company continues to use the cost model.

Exploration and Evaluation Assets are assessed for impairment when facts and circumstances suggest that the carrying amount of such assets may exceed its recoverable amount.

After the reclassification of the Exploration and Evaluation Assets as part of the Right to Mine, the cost is then amortised over the remaining useful life of the mining rights.

ii) Stripping Activity

During the development phase of the mine (before production begins), stripping costs are capitalised as part of the cost of right to mine.

During the production phase, two benefits accrue from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the costs of that stripping overburden removal activity is accounted for in accordance with the principles of Ind AS 2, Inventories.

To the extent the benefit is improved access to ore, these costs are recognised as Stripping Activity Asset, if the following criteria are met:-

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

The Stripping Cost capitalised during the development phase or during the production phase is amortised using the units or production method.

In accordance with Ind AS 101 First Time Adoption of Ind AS, the previously recognised asset balance that resulted from stripping activity undertaken during the production phase ('predecessor stripping asset' classified as Iron Ore Mines under Intangible Assets) is reclassified as a part of an existing asset i.e Right to Mine to which the stripping activity relates, to the extent that there remains an identifiable component of the ore body with which the predecessor stripping asset can be associated. Such balances will be amortised over the remaining expected useful life of the Right to Mine.

h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has considered that recovery of excise duty flows to the company on its own account. Therefore it is a liability of the manufacturer and forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, Sales Tax/Value Added Tax (VAT) are not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

ii) Interest income

Interest income is recognised using the effective interest rate (EIR) method.

iii) Dividends

Revenue is recognised when the company's right to receive payment is established, which is generally when shareholders approve the dividend.

iv) Rendering of services

Revenue from the services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

i) Depreciation on Property, Plant & Equipment and Amortization of Intangible Assets

i) Depreciation on Property, Plant & Equipment is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013 with the exception of the following:

- spares classified as plant and equipment are depreciated over 3 to 15 years based on the technical evaluation of useful life done by the management.
- assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

ii) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

iii) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

iv) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

v) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower.

vi) Leasehold land is amortised annually on the basis of tenure of lease period. Freehold land is not depreciated.

vii) Expenditure incurred on Right to Mine are amortised over useful life of the mines or lease period whichever is shorter.

viii) Intangible assets having finite-life are amortised on a straight line basis over the period of their expected useful lifes.

j) Inventories :

i) Inventories are valued at lower of cost and net realizable value, after providing for obsolences, if any.

ii) Cost of Raw Materials, Stores & Spares, Work in Progress, Finished Goods and Stock-in-Trade are computed on Moving Average basis.

iii) Cost of Work in Progress and Finished Goods includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.

iv) The cost is determined using moving average cost formula and net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

k) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Income Taxes

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In which case the tax is also recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

m) Foreign Currency Transactions

i) The Company has elected to avail the exemption available under IND AS 101, First time adoption of IND AS with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities pursuant to para 46A/46AA and D13AA of Ind AS 101.

ii) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.

iii) Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in the Statement of Profit and loss.

n) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Contributory Pension Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The company has recognized the gratuity payable to the employees as per the Payment of Gratuity Act, 1972 and Leave Encashment Benefits as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

p) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

q) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

Treasury shares held in the Trust are deducted from the equity.

r) Financial Instruments

i) Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

Financial assets carried at amortised cost

A financial asset is 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 (FVTOCI)

A financial asset is measured at FVTOCI 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 (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

C. Investment in Subsidiaries, Associates and Joint Ventures

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

D. Other Equity Investments

All other equity investments are measured at fair value through Other Comprehensive Income with value changes recognised therein.

E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through OCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

ii) Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized 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) Derivative financial instruments

The Company uses derivative financial instruments such as interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

iv) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

s) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

t) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

u) Statement of Cash Flows

i) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

v) Segment Reporting Policies

Identification of segments :

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The Operating segments have been identified on the basis of the nature of products.

Inter segment Transfers :

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

2.3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Measurement of defined benefit obligations

The measurement of defined benefit and other post-employment benefits obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.4 FIRST TIME ADOPTION OF IND AS

The Company has adopted Ind AS with effect from 1st April, 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April, 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP.

ii) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

iii) Investments in subsidiaries, joint ventures and associates

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost.

iv) Long Term Foreign Currency Monetary Items

The Company continues the policy of capitalising exchange differences arising on translation of long term foreign currency monetary items.

b) Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i) Reconciliation of Equity as at 1st April, 2015 and 31st March, 2016. Refer Note-3.1.

ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016. Refer Note-3.2.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

3.1 RECONCILIATIONS

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

1. Equity as at April 1, 2015 and March 31, 2016
2. Net profit for the year ended March 31, 2016

Reconciliation of equity as previously reported under IGAAP to Ind AS (₹ in lacs)

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		Previous IGAAP	Effects of transition to Ind-AS	Ind AS	Previous IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	A	129,684.93	902.27	130,587.20	126,120.68	1,449.80	127,570.48
Capital work-in-progress		10,875.59	-	10,875.59	15,755.51	(75.24)	15,680.27
Other Intangible Assets		4,771.60	-	4,771.60	9,490.11	-	9,490.11
Financial Assets							
(i) Investments	B	29,417.63	521.65	29,939.27	27,330.51	315.36	27,645.87
(ii) Other Financial assets		1,565.67	-	1,565.67	-	-	-
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets		450.56	-	450.56	344.27	-	344.27
Total non-current assets		176,765.97	1,423.92	178,189.89	179,041.07	1,689.93	180,731.00
Current assets							
Inventories	C	31,753.76	(902.27)	30,851.49	40,012.23	(1,450.26)	38,561.97
Financial assets:							
(i) Trade receivables	D	11,641.76	(1,242.84)	10,398.93	8,989.05	(365.04)	8,624.01
(ii) Bank, Cash and cash equivalents		3,904.26	-	3,904.26	7,210.81	-	7,210.81
(iii) Loans & Advances		1,163.00	-	1,163.00	5,678.07	-	5,678.07
Other current assets	E	27,747.00	(6,892.41)	20,854.59	19,688.30	(6,789.67)	12,898.63
Current tax assets (net)		-	-	-	310.54	-	310.54
Total current assets		76,209.78	(9,037.51)	67,172.26	81,888.99	(8,604.97)	73,284.02
Total assets		252,975.75	(7,613.60)	245,362.15	260,930.06	(6,915.04)	254,015.02
EQUITY AND LIABILITIES							
Equity							
Equity share capital	B	3,275.62	(112.50)	3,163.12	3,163.12	-	3,163.12
Other equity	F	78,750.64	(3,397.63)	75,353.01	72,501.75	(2,559.08)	69,942.67
Total equity		82,026.26	(3,510.13)	78,516.14	75,664.88	(2,559.08)	73,105.79
Non-current liabilities							
Financial Liabilities							
(i) Borrowings	G	77,508.41	-	77,508.41	84,123.91	(250.04)	83,873.87
Provisions		289.21	-	289.21	383.46	-	383.46
Deferred tax liabilities (Net)	H	6,333.98	(3,791.13)	2,542.85	4,141.58	(4,267.11)	(125.53)
Other non-current liabilities		297.84	-	297.84	236.64	-	236.64
Current liabilities							
Financial Liabilities							
(i) Borrowings		25,882.32	-	25,882.32	27,699.28	-	27,699.28
(ii) Trade Payables		41,979.53	-	41,979.53	43,146.23	-	43,146.23
(iii) Other financial liabilities	I	16,099.50	116.43	16,215.94	22,006.68	183.86	22,190.55
Other current liabilities	J	1,978.52	(46.79)	1,931.73	3,504.61	(22.67)	3,481.94
Provisions	K	407.32	(381.98)	25.34	22.78	-	22.78
Current tax liabilities (net)		172.86	-	172.86	-	-	-
Total current liabilities		170,949.49	(4,103.47)	166,846.02	185,265.18	(4,355.96)	180,909.22
Total equity and liabilities		252,975.75	(7,613.60)	245,362.15	260,930.06	(6,915.04)	254,015.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

A) Property, Plant and Equipment (PPE)

As per Ind AS 16, PPE are defined as tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one period. Certain spare parts now meets the definition of PPE and are accordingly classified as PPE.

B) Investment

Investments in Subsidiaries, Associates and Joint Ventures is accounted for at cost as per para 4 of Ind AS 27 on the date of transition and in case of other Investment in equity instruments, the same are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP. Further, Treasury shares held in the name of the Trust, has been shown as a deduction from the equity in accordance with Para 33 and 34 of Ind AS 32.

C) Inventory

Stores and spare parts in the nature of property, plant and equipment has been reclassified.

D) Trade receivables

Under the GAAP, the company has create provision for impairment of trade receivables consist only in respect of specific amount for incurred loss.

Under the Ind AS, impairment allowance has been determined based on expected credit loss model (ECL).

E) Other Current Assets

The Unused MAT credit are reclassified to Deferred tax as on date of transition to Ind AS by reclassifying from Other current assets.

F) Other equity

a) Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

b) In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

G) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. The unamorized transaction cost is further classified in to non-current and current.

H) Deferred Tax liabilities

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

I) Other financial liabilities

Gains/ losses on derivative on interest rate swap accounted for on the basis of the bank certificate. Further it is considered as prior period error as at the date of transition period.

J) Other liabilities -

Adjustments that reflect unamortised negative past service cost arising on modification of the leave encashment in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

K) Provisions

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

3.2 RECONCILIATION OF STATEMENT OF PROFIT & LOSS AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(₹ in lacs)

	Particulars	Note	Year ended March 31, 2016		
			Previous IGAAP	Effects of transition to Ind-AS	Ind AS
I.	**INCOME**				
	Revenue from operations		172,554.75	-	172,554.75
II.	Other Income		1,226.68	-	1,226.68
	Total Income (I+II)		**173,781.43**	**-**	**173,781.43**
III.	**EXPENDITURE**				
	Cost of materials consumed		103,608.79	-	103,608.79
	Purchases of Stock-in-Trade		6,016.90	-	6,016.90
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		313.06	-	313.06
	Employee benefits expense	A	6,844.50	(20.54)	6,823.96
	Finance costs	B	16,449.26	(131.49)	16,317.77
	Depreciation and amortization expense	C	7,099.42	207.61	7,307.04
	Excise Duty on sales		18,666.10	-	18,666.10
	Other expenses	D	23,205.26	(1,017.52)	22,187.74
	Total expenses		**182,203.30**	**(961.94)**	**181,241.36**
IV.	**Profit Before Tax**		**(8,421.87)**	**961.94**	**(7,459.93)**
V.	Tax expense:				
	(1) Current tax		109.42	-	109.42
	(2) Deferred Tax	E	(2,192.41)	(554.38)	(2,746.79)
VI.	**Profit for the period (IV-V)**		**(6,338.89)**	**1,516.33**	**(4,822.56)**
VII.	Other comprehensive income for the year, net of tax		-	(29.41)	(29.41)
VIII.	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX**		**(6,338.89)**	**1,486.92**	**(4,851.97)**

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

A. Employee benefit expenses

As per Ind-AS 19- Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

Adjustments reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

B. Finance costs

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. The unamorized transaction cost is further classified in to non-current and current.

C. Depreciation

Recognition of additional PPE from spare parts has resulted in additional depreciation charge for the year ended 31 March 2016.

D. Other expenses

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model.

E. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in lacs)

	Freehold Land	Leasehold Land	Site & Land Development	Factory Shed & Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
Gross Block								
Carrying Value								
At 1 April 2015	3,600.02	62.02	1,388.38	20,127.59	104,697.48	219.98	491.73	130,587.20
Additions	106.52	84.61	-	115.65	1,896.44	5.69	44.84	2,253.76
Disposals	2.71	-	18.29	-	550.17	-	25.77	596.95
Other adjustments								
- Exchange differences	-	-	-	-	2,157.06	-	-	2,157.06
- Borrowing costs	-	-	-	-	21.00	-	-	21.00
At 31 March, 2016	3,703.83	146.64	1,370.09	20,243.24	108,221.81	225.67	510.79	134,422.08
Additions	51.19	-	57.41	2,575.66	10,477.76	11.35	38.94	13,212.30
Disposals	18.70	-	11.85	1,014.54	708.84	-	58.30	1,812.24
Other adjustments								
- Exchange differences	-	-	-	-	(659.66)	-	-	(659.66)
- Borrowing costs	-	-	-	810.46	1,271.61	-	-	2,082.07
At 31 March, 2017	**3,736.33**	**146.64**	**1,415.64**	**22,614.82**	**118,602.67**	**237.02**	**491.43**	**147,244.54**
Depreciation								
At 1 April 2015	-	-	-	-	-	-	-	-
Charge for the year	-	1.00	-	1,123.52	5,622.20	43.51	94.45	6,884.68
(Disposals)/Adjustment	-	-	-	-	27.09	-	5.99	33.08
At 31 March, 2016	-	1.00	-	1,123.52	5,595.11	43.51	88.46	6,851.60
Charge for the year	-	1.56	-	1,128.55	5,831.94	36.37	85.24	7,083.67
(Disposals)/Adjustment	-	-	-	27.05	79.47	-	23.73	130.25
At 31 March, 2017	**-**	**2.56**	**-**	**2,225.03**	**11,347.58**	**79.88**	**149.98**	**13,805.03**
Net Block								
At 1 April, 2015	3,600.02	62.02	1,388.38	20,127.59	104,697.48	219.98	491.73	130,587.20
At 31 March, 2016	3,703.83	145.64	1,370.09	19,119.72	102,626.70	182.17	422.33	127,570.48
At 31 March, 2017	**3,736.33**	**144.07**	**1,415.64**	**20,389.79**	**107,255.09**	**157.14**	**341.45**	**133,439.51**

Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March, 2017 was ₹ 2082.07 (31st March, 2016: ₹ 21 lacs). The company capitalized the borrowing cost in the capital work-in-progress (CWIP) ₹ 371.03 lacs (31st March, 2016: ₹ 1458.32 Lacs). The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital Work In Progress.

Exchange differences on long term foreign currency monetary items

Pursuant to the option granted by Clause 46A of the AS-11 (as amended vide notification dated 29.12.2011), the Company during the year added/(reduced) ₹(659.66 lacs) (31st March, 2016: ₹ 2157.06 lacs) to the cost of assets, being the exchange differences of long term foreign currency monetary items relating to acquisition of assets. This amount is to be depreciated over the balance life of the assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

5. OTHER INTANGIBLE ASSETS

(₹ in lacs)

	Computer software	Right to Mine	Total
Gross Block			
Carrying Value			
At 1 April 2015	112.05	4,151.15	4,263.20
Purchase/additions	-	4,722.17	4,722.17
- Borrowing costs	-	111.82	111.82
At 31 March, 2016	112.05	8,985.13	9,097.18
Purchase/additions	815.28	1,320.21	2,135.49
Other adjustments			
- Borrowing costs	-	-	-
At 31 March, 2017	**927.33**	**10,305.34**	**11,232.67**
Amortization			
At 1 April 2015	-	-	-
Charge for the year	29.34	393.01	422.35
At 31 March, 2016	29.34	393.01	422.35
Charge for the year	29.79	704.58	734.37
At 31 March, 2017	**59.13**	**1,097.59**	**1,156.72**
Net Block			
At 1 April, 2015	112.05	4,151.15	4,263.20
At 31 March, 2016	82.71	8,592.12	8,674.83
At 31 March, 2017	**868.20**	**9,207.75**	**10,075.95**

Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March, 2017 was ₹ Nil (31st March, 2016: ₹ 111.82 lacs).

6. INVESTMENTS

(₹ in lacs)

Particulars	Face value per unit in ₹	No. of Shares/ Units as at 31.03.2017	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade investments					
Valued at cost					
Investment in subsidiaries					
Unquoted equity instruments, fully Paid up					
Hira Ferro Alloys Ltd.	10	10,041,000	**-**	-	2,363.74
*Godawari Green Energy Ltd.	10	17,847,000	**17,802.00**	14,702.00	14,702.00
Godawari Energy Ltd.	10	11,800,000	**1,180.00**	1,180.00	1,180.00
Godawari Clinkers & Cement Ltd.	10	50,000	**5.00**	5.00	5.00
Ardent Steel Ltd.	10	8,065,000	**4,764.00**	4,425.00	4,425.00
Godawari Integrated Steels (I) Ltd.	10	50,000	**5.00**	5.00	5.00
Krishna Global Minerals Ltd.	10	50,000	**5.00**	5.00	5.00
Unquoted Preference instruments, fully Paid up					
9% Optionally Convertible Cumulative Preference Shares of ₹.100/- each in Godawari Green Energy Ltd.	100	3,100,000	**-**	3,100.00	4,900.00
Investment in joint ventures					
Valued at cost					
Investment in equity instruments, fully Paid up (unquoted)					
Raipur Infrastructure Company Ltd.	10	130,700	**210.70**	210.70	210.70
Chhattisgarh Capitive Coal Mining Ltd	10	342,824	**473.54**	473.54	631.38
Godawari Natural Resources Ltd.	10	16,940	**1.69**	1.69	1.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in lacs)

Particulars	Face value per unit in ₹	No. of Shares/ Units as at 31.03.2017	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Investment in associates					
Valued at cost					
Investment in equity instruments, fully Paid up (unquoted)					
Hira Ferro Alloys Ltd.	10	9,491,000	**2,234.26**	2,234.26	-
Jagdamba Power & Alloys Ltd	10	2,605,000	**260.50**	260.50	260.50
Chhattisgarh Ispat Bhoomi Ltd	10	2,810,000	**489.40**	489.40	476.70
Trade investments (valued at cost)					
Carried at Fair Value through OCI					
Investment in equity instruments, fully Paid up (unquoted)					
Hira Steels Limited	10	2,240,100	**527.36**	538.97	767.35
Hira Energy Ltd	10	14,000	**1.40**	1.40	1.40
Shourya Diamonds Ltd	10	10,000	**0.61**	0.61	0.61
Investment in mutual fund, fully Paid up (unquoted)					
Carried at Fair Value through OCI					
Baroda Pioneer Mutual Fund	10	19,990	**3.80**	2.77	3.20
Axis Long Term Equity Fund - Growth	10	34,349	**11.86**	10.02	-
			27,976.12	27,645.87	29,939.27
Aggregate amount of quoted investments and market value thereof			**15.66**	12.80	3.20
Aggregate amount of Unquoted investments			**27,960.46**	27,633.07	29,936.07
Investment carried at cost			**27,431.10**	27,092.10	29,166.72
Investment carried at fair value through OCI			**545.02**	553.77	772.56

Investments given as security

* Out of 17847000 equity shares, 7520970 (7520970) equity shares pledged for the credit facilities sanctioned to subsidiary company.

7. OTHER FINANCIAL ASSETS

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered good unless stated otherwise			
Deposit with bank with original maturity for more than 12 months (refer note-12)	**-**	-	1,565.67
	-	-	1,565.67

8. DEFERRED TAX (ASSETS)/LIABILITIES

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Tax (Assets)/Liability			
Temporary differences on account of PPE & Other intangible assets	**16,801.81**	16,801.81	16,015.03
Temporary differences on account of fair valuation of Investments	**12.25**	12.25	64.64
Temporary differences on account of Employee Benefits	**(189.57)**	(125.53)	(106.92)
Unused MAT Credit	**(6,746.35)**	(6,746.35)	(6,892.41)
Others	**(10,067.70)**	(10,067.70)	(6,537.49)
Net deferred tax (assets)/ liabilities	**(189.57)**	(125.53)	2,542.85
RECONCILIATION OF DEFERRED TAX (ASSETS)/LIABILITIES (NET)			
Deferred Tax (Assets)/Liabilities			
Deferred tax liability / (assets) at the beginning of the year	**(125.53)**	2,542.85	6,333.98
Deferred tax liability / (assets) during the year on account of timing difference	**(64.04)**	(2,814.44)	3,101.28
MAT Credit utilized/(arised)	**-**	(146.05)	6,892.41
DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR	**(189.57)**	(125.53)	2,542.85

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

9. OTHER ASSETS (UNSECURED, CONSIDERED GOOD)

(₹ in lacs)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	**As at 31.03.2017**	As at 31.03.2016	As at 01.04.2015
Advances other than capital advances						
Advance to Vendors				**11,197.61**	6,661.22	15,177.01
Prepaid expenses				**1,073.28**	354.06	485.14
Balance with statutory/govt. authorities				**3,896.79**	5,883.34	5,192.44
Security deposit with govt. & others	**489.99**	344.27	450.56	**-**	-	-
Total	**489.99**	344.27	450.56	**16,167.67**	12,898.63	20,854.59

10. INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Raw Materials and components	**10,516.43**	19,148.08	13,948.65
Work-in-progress	**324.40**	318.93	238.42
Finished goods & by-products	**9,970.27**	10,864.07	11,213.23
Stock-in-trade	**2.29**	2.29	46.70
Stores & spares	**6,209.94**	8,228.61	5,404.49
	27,023.33	38,561.97	30,851.49

11. TRADE RECEIVABLES

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered good unless stated otherwise			
Trade receivables	**7,709.83**	8,989.05	11,641.76
Less: Provision for doubtful receivables	**340.58**	365.04	1,242.84
	7,369.25	8,624.01	10,398.93

12. BANK, CASH AND CASH EQUIVALENTS

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	**As at 31.03.2017**	As at 31.03.2016	As at 01.04.2015
Cash and cash equivalents						
Balances with banks:						
On current accounts				**2,093.93**	2,544.02	823.66
Deposits with original maturity of less than three months				**-**	-	545.06
Cash on hand				**8.43**	32.78	16.43
				2,102.36	2,576.80	1,385.15
Other bank balances						
Unpaid dividend account				**14.09**	16.56	17.73
Deposits with original maturity for more than 12 months	**-**	-	1,565.67			
Deposits with original maturity for more than 3 months but less than 12 months				**1,665.50**	4,617.45	2,501.38
	-	-	1,565.67	**1,679.59**	4,634.01	2,519.11
Amount disclosed under other financial assets (note 7)	**-**	-	1,565.67			
	-	-	-	**3,781.95**	7,210.81	3,904.26

Out of total Deposits, deposits of ₹ 1665.50 lacs (31st March, 2017: ₹ 4617.45 lacs; 1st April, 2015: ₹ 4067.05 lacs) are pledged with various banks for availing LC, Bank Guarantee, margin money and pledged with other Govt. Departments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

13. LOANS (UNSECURED, CONSIDERED GOOD)

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Loans and advances to subsidiary companies	**6,261.27**	5,678.07	1,163.00
	6,261.27	5,678.07	1,163.00

14. EQUITY SHARE CAPITAL

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorized			
49800000 (31st March, 2016: 49800000 and 1st April, 2015:	**4,980.00**	4,980.00	4,980.00
49800000) equity shares of ₹ 10/- each	**4,980.00**	4,980.00	4,980.00
Issued, subscribed and fully paid-up			
35236247 (31st March, 2016: 32756247 and 1st April, 2015:			
32756247) equity shares of ₹ 10/- each fully paid-up	**3,411.12**	3,163.12	3,163.12

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2017		As at 31.03.2016	
	No.	(₹ in lacs)	No.	(₹ in lacs)
At the beginning of the period	**32,756,247**	**3,163.12**	32,756,247	3,163.12
Issued during the period	**2,480,000**	**248.00**	-	-
Outstanding at the end of the period	**35,236,247**	**3,411.12**	32,756,247	3,163.12

b. Terms/rights attached to equity shares

The company has only one class of 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 proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the 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.

c. Details of shareholders holding more than 5% shares in the company:

	As at 31.03.2017		As at 31.03.2016	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of ₹ 10/- each fully paid				
Hira Infra-tek Limited	**1790652**	**5.08**	1790652	5.47
Dinesh Agrawal	**1846347**	**5.24**	1846347	5.64
B.L. Agrawal	**1731398**	**4.91**	1731398	5.29
B.L. Agrawal (HUF)	**2738932**	**7.77**	1183347	3.61
Vinay Agrawal	**1875466**	**5.32**	500000	1.58
Kumar Agrawal	**2460678**	**6.98**	1038398	3.17
	12443473	**35.31**	8090142	24.70

d. Apart from authorised equity share capital, the Company is also having authorised preference share capital consisting 3,200,000 preference share of Rs. 10/- each as on 31.03.2017, 31.03.2016 and 01.04.2015

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

15. BORROWINGS

(₹ in lacs)

Particulars	Effective interest rate	Maturity	Non-current portion			Current maturities		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Debentures								
209 (31 March, 2016: 417 and 1st April, 2015: 450) A Series 12% Redeemebale Non-Convertible Debentures of ₹ 1,000,000/- each (secured).........	12.00%	31/Mar/2032	**2,040.23**	-	4,166.67	**43.11**	4,166.67	333.33
200 (31 March, 2016: 200 and 1st April, 2015: 200) B Series 12.75% Redeemebale Non-Convertible Debentures of ₹ 1,000,000/- each (secured)...........	12.75%	31/Mar/2032	**1,946.42**	2,000.00	2,000.00	**53.58**	-	-
150 (31 March,2016: 188 and 1st April, 2015: 300) C Series 12.90% Redeemebale Non-Convertible Debentures of ₹ 1,000,000/- each (secured)..........	12.90%	31/Mar/2032	**1,482.77**	375.00	1,875.00	**15.73**	1,500.00	1,125.00
Term Loans			**-**	-	-	**-**	-	-
Secured loan from bank......................................	11.15% to 12.50%	31/Mar/2032	**107,061.97**	-	-	**1,315.39**	-	-
Secured loan from bank......................................	10% to 13%	31/Mar/2026	**10,131.41**	-	-	**299.88**	-	-
Secured loan from bank......................................	11.30%	31/Mar/2023	**4,287.38**	49,763.77	36,447.03	**42.75**	10,185.75	9,091.00
Foreign currency loan from banks (secured)..........	11.95%	31/Mar/2032	**8,088.76**	29,006.29	32,596.55	**85.83**	5,414.51	4,728.37
Other loans and advances								
Other loans from bank and financial institution (secured)..			**22.34**	406.81	423.16	**35.03**	117.25	182.19
From body corporates (unsecured)	12.00%		**1,000.00**	2,322.00	-	**-**	-	-
			136,061.27	83,873.87	77,508.41	**1,891.31**	21,384.17	15,459.89
The above amount includes								
Secured borrowings...			**135,061.27**	81,551.87	77,508.41	**1,891.31**	21,384.17	15,459.89
Unsecured borrowings.......................................			**1,000.00**	2,322.00	-	**-**	-	-
Amount disclosed under the head "other current liabilities" (refer note 19.2)						**(1,891.31)**	(21,384.17)	(15,459.89)
Net amount			**136,061.27**	83,873.87	77,508.41	**-**	-	-

Security and terms & conditions for above loans:

a. 12% redeemable non-convertible debentures 'A' Series are secured by First Pari passu charge on the fixed assets of the Company both present & future and 2nd pari passu charge on the current assets of the Company both present & future.

b. 12.75% redeemable non-convertible debentures 'B' Series are secured by Pari passu first charge on the tangible fixed assets of the Company.

c. 12.90% redeemable non-convertible debentures 'C' Series are secured by Pari passu first charge on the fixed assets of the Company & pari passu second charge on the current assets of the Company.

d. The rupee term loans aggregating to ₹ 1231.39 Cr (Previous year ₹ 599.50 Cr) (including current maturities of ₹ 16.58 Cr (Previous year ₹ 101.86 Cr) classified under 'other current liabilities' in note 15) are secured by a first pari passu charge over immovable and movable assets of the company, both present and future, subject to prior charge in favour of working capital bankers of the Company over the current assets i.e. stocks of raw materials, finished goods, stock in process, stores & consumables, trade receivables for securing working capital facilities availed from the banks. The rupee term loans are also secured by personal guarantee of promoter directors of the Company & their relatives and by 2nd pari passu charge on pledge of 77,80,245 equity shares of the Company held by the promoters.

e. The foreign currency term loan (ECB) aggregating to ₹ 81.75 Cr (Previous year ₹ 344.21 Cr) (including current maturities of ₹ 0.86 Cr (Previous year ₹ 54.12 Cr) classified under 'other current liabilities' in note 15) are secured by a first pari passu charge over immovable and movable fixed assets of the company, both present and future. This Loan is also secured by personal guarantee of the Managing Director of the Company.

f. Other loans from banks and financial institution are secured by hypothecation and mortgage of specific assets from various banks.

g. Other loans bearing interest @12% from body corporates are repayable after more than one year.

h. During the year the company has made default in repayment of borrowings to banks and debenture holders and on request of the company for simple restructuring of debt facilities, which inter-alia includes conversion of excess working capital into WCTL, Funding of Interest on term loan from 1st June, 2016 to 28th February, 2017 into FITL and elongation in repayment period of debt for ten to fifteen years, the bank has approved the restructuring proposals and accordingly the promoters contribution of ₹ 31 crores has been brought in by the promoters by subscribing to equity capital of the Company on Preferential allotment basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

16. PROVISIONS

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for Employee Benefits	**579.18**	383.46	289.21	**34.32**	22.78	25.34
	579.18	383.46	289.21	**34.32**	22.78	25.34

17. OTHER NON-CURRENT LIABILITIES

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Retention money payable	**183.34**	236.64	297.84
	183.34	236.64	297.84

18. BORROWINGS

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Cash Credit facility from banks (secured)	**17,130.56**	27,699.28	25,882.32
The above amount includes	**17,130.56**	27,699.28	25,882.32
Secured borrowings	**17,130.56**	27,699.28	25,882.32

Terms & Conditions of Secured Loans

1. The cash credit facilities from Banks are secured by first pari passu charge over entire current assets i.e. stocks of raw materials, finished goods, stock in process, stores & consumables, trade receivables of the Company and second charge over the other movable assets and immovable assets of the Company.
2. The above credit facilities are also secured by personal guarantee of promoter directors of the Company.
3. The working capital facilities (including cash credit) are also secured in line with rupee term loans by pledge of 77,80,245 equity shares of the company held by the promoters.

19.1 TRADE PAYABLE

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade payables (refer note 42 for details of dues for micro and small enterprises)	**10,137.94**	43,146.23	41,979.53
	10,137.94	43,146.23	41,979.53

19.2 OTHER FINANCIAL LIABILITIES

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current maturities of long-term borrowings (secured) (refer note-15)	**1,891.31**	21,384.17	15,459.89
Derivatives financial liabilities - Interest rate swap	**-**	183.86	116.43
Interest accrued but not due on borrowings	**514.91**	605.95	621.88
Investor Education and Protection Fund will be credited by following amounts (as and when due)			
Unpaid dividend	**14.09**	16.56	17.73
	2,420.31	22,190.55	16,215.94

20. OTHER CURRENT LIABILITIES

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Other Payable	**2,562.85**	2,528.76	1,163.03
Advances from Customer	**1,178.26**	829.10	536.28
Creditors for capital goods	**111.98**	124.08	232.42
	3,853.09	3,481.94	1,931.73

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

21. REVENUE FROM OPERATIONS

(₹ in lacs)

	2016-17	2015-16
Revenue from operations		
Sale of products		
Manufacturing Goods and By-Products	**171,074.88**	168,516.88
Electricity	**230.59**	596.33
Traded Goods	**683.18**	3,121.51
Sale of services	**719.55**	40.95
Other operating revenue		
Sale of REC Certificate	**857.63**	279.08
Revenue from operations	**173,565.82**	172,554.75

22. OTHER INCOME

(₹ in lacs)

	2016-17	2015-16
Interest Income on		
Bank Deposits	**192.45**	333.27
Others	**865.77**	806.33
Dividend Income		
- From Others	**-**	60.25
Profit on sale of non-current Investments	**90.00**	11.42
Profit on sale of fixed assets	**162.29**	0.09
Other non-operating income (net of expenses directly attributable to such income)	**63.22**	15.33
	1,373.72	1,226.68

23. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

(₹ in lacs)

	2016-17	2015-16
Inventory at the beginning of the year	**19,148.08**	13,926.96
Add: purchases	**97,557.39**	108,829.90
	116,705.47	122,756.86
Less : Inventory at the end of the year	**10,516.43**	19,148.08
Cost of raw material and components consumed	**106,189.04**	103,608.79

24. (INCREASE)/DECREASE IN INVENTORIES

(₹ in lacs)

	2016-17	2015-16	(Increase)/ Decrease
Inventories at the end of the year			2016-17
Finished goods and by-products	**9,970.27**	10,864.07	893.80
Work-in-progress	**324.40**	318.93	(5.48)
Traded goods	**2.29**	2.29	-
	10,296.96	11,185.29	888.32
Inventories at the beginning of the year			2015-16
Finished goods and by-products	**10,864.07**	11,213.23	349.16
Work-in-progress	**318.93**	238.42	(80.50)
Traded goods	**2.29**	46.70	44.41
	11,185.29	11,498.35	313.06
Net (increase)/decrease in inventories	**(888.32)**	(313.06)	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

25. EMPLOYEE BENEFITS EXPENSES

(₹ in lacs)

	2016-17	2015-16
Salaries, wages and bonus	5,907.44	6,128.04
Contribution to provident and other fund	401.26	359.15
Gratuity Expense	95.39	83.16
Workmen and staff welfare expenses	272.46	253.61
	6,676.55	6,823.96

26. FINANCE COSTS

(₹ in lacs)

	2016-17	2015-16
Interest		
- on debentures	768.07	1,118.76
- on term loans	8,027.33	5,666.21
- on working capital	5,933.94	3,281.21
- on others	385.03	221.36
Exchange difference to the extent considered as an adjustment to borrowing costs	51.80	707.36
Bank charges	2,504.16	5,322.87
	17,670.34	16,317.77

27. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in lacs)

	2016-17	2015-16
Depreciation on tangible assets	7,083.67	6,884.68
Amortization of intangible assets	734.37	422.35
	7,818.04	7,307.04

28. OTHER EXPENSES

(₹ in lacs)

	2016-17	2015-16
Consumption of stores and spares	6,898.37	5,841.40
(Increase)/decrease of excise duty on inventory	(205.36)	(197.51)
Grid Parallel operation charges	240.98	240.98
Power & Fuel	8,530.50	7,671.87
Water Charges	294.51	359.98
Other manufacturing expenses	4,359.41	3,789.33
CDM Expenses	4.35	32.24
Rent	91.68	82.82
Rates and taxes		
- Entry tax	82.27	100.56
- Excise duty	-	49.66
- Electricity duty cess	292.24	2.19
- Others	3.81	49.98
Insurance	64.40	76.04

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in lacs)

	2016-17	2015-16
Repairs and maintenance		
- Plant and machinery	**518.71**	839.45
- Buildings	**145.97**	525.99
- Others	**97.18**	141.77
Rebate, shortage claims & other deductions	**428.89**	544.51
Commission		
- Other than Sole selling agents	**267.14**	331.92
Provision/Allowances for credit loss on debtors	**(24.46)**	(877.80)
Traveling and conveyance	**243.92**	398.75
Communication expenses	**62.99**	87.52
Printing and stationery	**24.68**	40.97
Legal and professional fees	**410.75**	279.51
Directors' sitting fees	**9.31**	10.00
Directors' remuneration	**106.84**	108.50
Payment to Auditor (Refer details below)	**18.56**	19.63
Freight and forwarding charges	**7.56**	77.85
Security service charges	**257.75**	290.31
Loss/(gain) on MTM on Derivative- Interest rate swap	**(183.86)**	67.43
Corporate Social Responsibility	**221.65**	387.14
Miscellaneous expenses	**645.29**	814.78
	23,916.02	22,187.74

Payment to Auditor	2016-17	2015-16
As auditor :		
Audit fee	**17.31**	17.63
Tax Audit fee	**1.25**	1.25
In other capacity		
Taxation matters	**-**	0.75
	18.56	19.63

29. EARNINGS PER SHARE (EPS)

(₹ in lacs)

	2016-17	2015-16
Net profit/(loss) as per statement of profit and loss	**(7,760.34)**	(4,851.97)
Net profit/(loss) attributable to Equity Shareholders	**(7,760.34)**	(4,851.97)
Nominal Value of Equity Shares (₹)	**10**	10
Weighted average number of equity shares in calculating Basic EPS	**31,705,987**	31,631,247
Weighted average number of equity shares in calculating Diluted EPS	**31,705,987**	31,631,247
Basic & Diluted EPS		
- Basic earning per share	**(24.48)**	(15.34)
- Diluted earning per share	**(24.48)**	(15.34)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

30. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS ARE NOT PROVIDED FOR IN RESPECT OF :-

i) Counter Guarantees given to banks against Bank guarantees issued by the Company Banker aggregate to ₹1304 lacs (Previous Year ₹1019 lacs.)

ii) Disputed liability of ₹ 302.21 lacs (Previous Year ₹ 499.11 lacs) on account of Service Tax against which the company has preferred an appeal.

iii) Disputed liability of ₹ 63.00 lacs (Previous Year ₹ 389.34 lacs) on account of CENVAT against which the company has preferred an appeal.

iv) Disputed liability of ₹ 22.87 lacs (Previous Year ₹ 404.48 lacs) on account of Sales Tax against which the company has preferred an appeal.

v) Disputed liability of ₹ 390.76 lacs (Previous Year ₹ 390.86 lacs) on account of Income Tax against which the company has preferred an appeal.

vi) Disputed liability of ₹ 43.64 lacs (Previous Year ₹ 10 lacs) on account of Custom Duty against which the company has preferred an appeal.

vii) Disputed energy development cess demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh ₹ 3740.6 lacs (Previous Year ₹ 3279.08 lacs). The Hon'ble High Court of Chhattisgarh has held the levy of cess as unconstitutional vide its order dated 20th June, 2008. The State Govt. has filed a Special Leave Petition before Hon'ble Supreme Court, which is pending for final disposal.

viii) Disputed demand of ₹ 758 lacs (Previous Year ₹ 758 lacs) from Chhattisgarh State Power Distribution Company Limited relating to cross subsidy on power sold under open access during the financial year 2009-10. The company has contested the demand and obtained stay from CSERC and expect a favourable decision in favour of company.

ix) Estimated amount of contracts remaining to be executed on capital accounts ₹ 2095 lacs (Previous Year ₹ 2858 lacs).

31. During the previous year, the Income Tax Department has conducted a search operation u/s 132 of the Income Tax Act, 1961. During the course of search the various documents and records have been seized by them and physical verification of stocks was also conducted by independent agencies appointed by them. The company does not foresee any liability at this stage, however the due provision of liability, if any, shall be made after completion of the block assessment.

32. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS:

a. Defined Contribution Plan:

Amount of ₹ 401.26 lacs (P.Y. ₹.359.15 lacs) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no 25)

(₹ in lacs)

Benefit (Contribution to):	2016-17	2015-16
Contribution to Provident and other fund	401.26	359.15
Total	**401.26**	359.15

b. Defined benefit plan:

Gratuity:

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service subject to a maximum of ₹ 10 Lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

(₹ in lacs)

	Particulars	Gratuity		Leave Encashment	
		2016-17	2015-16	2016-17	2015-16
		Non-Funded	Non-Funded	Non-Funded	Non-Funded
I	**Change in Present value of defined benefit obligation during the year:**				
	Present value of defined benefit obligation at the beginning of the year	406.24	314.55	58.88	126.45
	Interest Cost	32.50	25.16	4.71	10.11
	Current Service Cost	62.90	58.76	76.43	100.27
	Past Service Cost	-	-	-	-
	Benefit paid directly by employer	(20.29)	(41.60)	(31.80)	(173.24)
	Actuarial Changes arising from changes in financial assumption	26.98	53.42	5.37	8.40
	Actuarial Changes arising from changes in experience assumption	1.68	(4.05)	(10.11)	(13.11)
	Present value of defined benefit obligation at the end of the year	510.01	406.24	103.48	58.88
II	**Change in fair value of plan assets during the year:**				
	Fair value of plan assets at the beginning of the year	-	-	-	-
	Contribution paid by the employer	20.29	41.60	31.80	173.24
	Benefit paid from the fund	(20.29)	(41.60)	(31.80)	(173.24)
	Fair value of plan assets at the end of the year	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in lacs)

	Particulars	Gratuity		Leave Encashment	
		2016-17	2015-16	2016-17	2015-16
		Non-Funded	Non-Funded	Non-Funded	Non-Funded
III	**Net asset / (liability) recognised in the balance sheet:**				
	Present Value of defined benefit obligation at the end of the year	**510.01**	406.24	**103.48**	58.88
	Fair value of plan assets at the end of the year	**-**	-	**-**	-
	Amount recognised in the balance sheet	**-**	-	**-**	-
	Net asset / (liability) - Current	**27.64**	22.78	**6.68**	4.35
	Net asset / (liability) - Non Current	**482.36**	383.46	**96.81**	54.54
IV	**Expenses recognized in the statement of profit and loss for the year:**				
	Current Service Cost	**62.90**	58.76	**76.43**	100.27
	Interest Cost on benefit obligation (Net)	**32.50**	25.16	**4.71**	10.11
	Total expenses included in employee benefits expenses	**95.40**	83.92	**81.14**	110.38
V	**Recognized in other comprehensive income for the year:**				
	Actuarial Changes arising from changes in financial assumption	**26.98**	53.42	**5.37**	8.40
	Actuarial Changes arising from changes in experience assumption	**1.68**	(4.05)	**(10.11)**	(13.11)
	Recognized in other comprehensive income for the year:	**28.66**	49.37	**(4.74)**	(4.71)
VI	**Maturity profile of defined benefit obligation:**				
	Within the next 12 months (next annual reporting period)	**30.81**	1.04	**7.04**	0.46
	Between 2 and 5 years	**133.56**	9.92	**27.66**	0.76
	Between 6 and 10 years	**183.76**	395.29	**36.64**	57.65
VII	**Quantitative Sensitivity analysis for significant assumption is as below:**				
1	1% point increase in discount rate	**459.09**	351.58	**93.19**	50.70
	1% point decrease in discount rate	**570.45**	470.57	**115.77**	68.63
	1% point increase rate of salary Increase	**570.52**	467.99	**116.37**	68.73
	1% point decrease rate of salary Increase	**457.85**	352.82	**92.53**	50.49
	1% point increase rate of employee turnover rate	**518.09**	410.71	**105.15**	59.54
	1% point decrease rate of employee turnover rate	**500.66**	402.59	**101.60**	58.36

2 Sensitivity Analysis Method:

Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.

	Particulars	Gratuity		Leave Encashment	
		2016-17	2015-16	2016-17	2015-16
		Non-Funded	Non-Funded	Non-Funded	Non-Funded
VIII	**Actuarial assumptions:**				
1	Discount rate	**7.50%**	8.00%	**7.50%**	8.00%
2	Salary escalation	**6.00%**	6.00%	**6.00%**	6.00%
3	Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
5	Rate of Employee Turnover	**1% to 8%**	1% to 8%	**1% to 8%**	1% to 8%

Expected contribution to the defined plan for the next reporting period:

Notes:

(i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2017. The present value of the defined benefit obligation and the related current service cost and past service cost,were measured using the projected Unit Credit Method.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

33. DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

Investment made are given under the respective heads. Further the company has not given any guarantee.

Loan given by the Company in respect of loans as at 31st March, 2017 (₹ in lacs)

Name of Company	As at 31.03.2017	As at 31.03.2016
Godawari Energy Ltd.	**6261.27**	5678.07
	6261.27	5678.07

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk
- Price risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognise as income in the statement of profit and loss. The company measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and passed trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

Bank, Cash and cash equivalents

Bank, Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in lacs)

	31-Mar-17	31-Mar-16	1-Apr-15
Trade receivables	**7,369.25**	8,624.01	10,398.93
Loans and advances	**6,261.27**	5,678.07	1,163.00
Bank, Cash and cash equivalents	**3,781.95**	7,210.81	3,904.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in lacs)

	31-Mar-17	31-Mar-16	1-Apr-15
Impairment losses			
Trade receivables (measured under life time excepted credit loss model)			
Opening balance	**365.04**	1,242.84	-
Provided during the year	**-**	-	1,242.84
Reversal of provision	**24.46**	877.80	-
Unwinding of discount	**-**	-	-
Closing balance	**340.58**	365.04	1,242.84

	31-Mar-17	31-Mar-16
Ageing analysis		
Upto 3 months	**5,486.38**	7,570.00
3-6 months	**457.51**	534.68
More than 6 months	**1,425.37**	519.33
	7,369.25	8,624.01

No significant changes in estimation techniques or assumptions were made during the reporting period

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing arrangements

The Company has access to following undrawn borrowing facilities at the end of the reporting period:

(₹ in lacs)

	31-Mar-17	31-Mar-16	1-Apr-15
Term Loan	**-**	11,789.30	3,038.00
Cash Credit facilities	**-**	5,658.00	2,408.00

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

(₹ in lacs)

As at 31 March 2017	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Borrowings	**19,021.88**	**47,624.77**	**88436.49**	**155,083.14**
Trade payables	**10,137.94**	**-**	**-**	**10,137.94**
Other financial liabilities	**529.00**	**-**	**-**	**529.00**
	29,688.82	**47,624.77**	**88,436.49**	**165,750.08**

As at 31 March 2016	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	49,083.45	83,873.87	-	132,957.32
Trade payables	43,146.23	-	-	43,146.23
Other financial liabilities	806.38	-	-	806.38
	93,036.06	83,873.87	-	176,909.93

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure (₹ in lacs)

	31-Mar-17	31-Mar-16	1-Apr-15
Variable rate borrowings	**154,025.77**	130,111.26	118,245.26
Fixed rate borrowings	**1,057.37**	2,846.06	605.35

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

(₹ in lacs)

	Impact on profit after tax	
	31-Mar-17	31-Mar-16
Interest rates - increase by 70 basis points	**(1,070.85)**	(846.16)
Interest rates - decrease by 70 basis points	**1,070.85**	846.16

FOREX EXPOSURE RISK

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like interest rate swap to hedge exposure to foreign currency risk.

PARTICULARS	Currency	Currency in Lacs	
		2016-17	2015-16
Borrowings	USD	**126.08**	518.91
Trade Payables	USD	**0.06**	11.64
Derivative- Interest Swap	USD	**-**	409.40

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

(₹ in lacs)

	Impact on profit after tax	
	31-Mar-17	31-Mar-16
Foreign exchange rates - increase by 1%	**83.55**	622.65
Foreign exchange rates - decrease by 1%	**(83.55)**	(622.65)

PRICE RISK:

The entity is exposed to equity price risk, which raised out from FVTOCI quoted and unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk:

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments classified as at FVTOCI, the impact of a 2% in the index at the reporting date on profit & loss would have been an increase of ₹ 10.90 lacs (2015-16: ₹ 11.07 lacs); an equal change in the opposite direction would have decreased profit and loss.

35. CAPITAL MANAGEMENT

The Company's main objectives when managing capital are to:

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities; and
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
- safeguard its ability to continue as a going concern
- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

(₹ in lacs)

	31 March 2017	31 March 2016
Total liabilities	155,083.14	132,957.32
Less : Bank, Cash and cash equivalent	3,781.95	7,210.81
Net debt	151,301.19	125,746.51
Total equity	66,216.88	73,105.79
Net debt to equity ratio	2.28	1.72

During the year the company has made default in repayment of borrowings to banks and dues to debenture holders. On request of the company for simple restructuring of debt facilities, which inter-alia includes conversion of excess working capital into WCTL, Funding of Interest on term loan from 1st June, 2016 to 28th Feb, 2017 into FITL and elongation in repayment period of borrowings and debentures for ten to fifteen years, the bank has approved the restructuring proposals and accordingly the promoters contribution of ₹.31 crores has been brought in by the promoters by subscribing to equity capital of the Company on Preferential allotment basis.

36. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly OR indirectly

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(₹ in lacs)

	Carrying amount			
	As at 31.03.2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments	27431.10			
Trade receivables	7369.25	-	-	-
Loans	6261.27			
Bank, Cash and bank balances	3781.95	-	-	-
	44843.57	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	545.02	15.66	529.37	-
Total	545.02	15.66	529.37	-
Financial liabilities at amortised cost:				
Long term borrowings	136061.27	-	-	-
Short term borrowings	17130.56	-	-	-
Trade payables	10137.94	-	-	-
Other financial liabilities	2420.31	-	-	-
Total	165750.09	-	-	-
Financial liabilities at fair value				
Derivatives - Interest swap	-	-	-	-
Total	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in lacs)

	Carrying amount			
	As at 31.03.2016	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments	27092.10			
Trade receivables	8624.01	-	-	-
Loans	5678.07			
Bank, Cash and bank balances	7210.81	-	-	-
	48604.98	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	553.77	12.80	540.98	-
Total	553.77	12.80	540.98	-
Financial liabilities at amortised cost:				
Long term borrowings	83873.87	-	-	-
Short term borrowings	27699.28	-	-	-
Trade payables	43146.23	-	-	-
Other financial liabilities	22006.68	-	-	-
Total	176726.07	-	-	-
Financial liabilities at fair value				
Derivatives - Interest swap	183.86	-	183.86	-
Total	183.86	-	183.86	-

	Carrying amount			
	As at 01.04.2015	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments	29166.72	-	-	-
Trade receivables	10398.93	-	-	-
Loans	1163.00	-	-	-
Bank, Cash and bank balances	3904.26	-	-	-
Other financial assets	1565.67			
Total	46198.57	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	772.56	3.20	769.36	-
Total	772.56	3.20	769.36	-
Financial liabilities at amortised cost:				
Long term borrowings	77508.41	-	-	-
Short term borrowings	25882.32	-	-	-
Trade payables	41979.53	-	-	-
Other financial liabilities	16099.50	-	-	-
Total	161469.76	-	-	-
Financial liabilities at fair value				
Derivatives - Interest swap	116.43	-	116.43	-
Total	116.43	-	116.43	-

During the reporting period ending 31st March, 2017 and 31st March, 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

37. The mining department has levied royalty on Iron Ore mining on the basis of rates applicable for the highest grades of Iron Ore. The Company has, however provided royalty on the basis of rates applicable to different grades of Iron Ore produced and dispatched. Pursuant to a writ petition filed by the company, the honorable high court of Chhattisgarh has upheld the company's contention of charging royalty and directed mining department to make fresh assessment of royalty payable. However the mining department has filed review appeal before the double bench of honorable high court of Chhattisgarh against the order. After assessment by mining department, cumulative amount of excess royalty of ₹ 34.79 Crores as on 31.03.17 (₹ 43.25 Crores as on 31.03.16) is shown as advance royalty and carried to Balance Sheet.

38. INFORMATION ON RELATED PARTY DISCLOSURES ARE GIVEN BELOW :

i) Related Parties

a) Subsidiaries

Godawari Green Energy Limited
Godawari Clinkers & Cement Limited (Wholly owned)
Krishna Global Minerals Limited (Wholly owned)
Godawari Integrated Steels (India) Limited (Wholly owned)
Godawari Energy Limited
Ardent Steel Limited

b) Associates

-- Jagdamba Power & Alloys Ltd.
-- Chhattisgarh Ispat Bhumi Limited
-- Hira Ferro Alloys Limited

c) Other Related Parties

-- Hira Cement Ltd.
-- Raipur Complex

d) Joint Ventures

-- Raipur Infrastructure Company Ltd.
-- Chhattisgarh Captive Coal Mining Ltd.
-- Godawari Natural Resources Ltd.

e) Key Management Personnel

-- Shri B.L. Agrawal (Managing Director)
-- Shri Abhishek Agrawal (Whole Time Director)
-- Shri Dinesh Agrawal (Whole Time Director)
-- Shri Vinod Pillai (Whole Time Director)
-- Shri Sanjay Bothra (CFO)
-- Shri Y.C. Rao (Company Secretary)

ii) Transaction with Related Parties in the ordinary course of business

(₹ in lacs)

			2016-17	2015-16
a)	**Subsidiaries**	Sale of Materials	-	31.42
		Interest Received	732.93	403.24
		Sale of Tools Spares and Consumables	221.28	-
		Interest Paid	104.55	-
		Investments in Equity Shares	339.00	-
		Income From Services / Misc other receipts	9.91	-
		Sale of fixed assets	157.30	-
		Purchase of fixed assets	-	184.95
		Advance received	1,000.00	-
		Advance given	401.47	4,900.45
		Repayment received of advance given	477.90	748.30
		Outstandings		
		Receivables	6,261.27	5,678.07
		Payables	1,000.00	36.75
b)	**Associates**	Sale of Materials	399.36	370.39
		Purchase of Materials	2,126.39	1,111.38
		Interest received	6.03	7.01
		Dividend Received	-	60.25
		Other charges paid	318.55	505.41
		Other charges received	82.60	-
		Purchase of fixed assets	30.01	53.50
		Investment made	-	12.70
		Outstandings		
		Receivables	442.61	259.02
		Payables	136.82	0.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

(₹ in lacs)

			2016-17	2015-16
c)	**Other Related Parties**	Purchase of Materials	**76.88**	209.55
		Sale of Materials	**9.48**	4.70
		Other charges paid	**394.39**	158.30
		Other charges received	**0.03**	-
		Rent Paid	**23.42**	18.39
		Outstandings		
		Receivables	**0.00**	3.52
		Payables	**50.89**	1.34
d)	**Joint Ventures**	Service Charges Paid	**330.42**	696.59
		receipt from Buy back of shares	**-**	122.74
		Outstandings		
		Payables	**259.35**	409.64
e)	**Key Management Personnel**	Remuneration Paid	**165.73**	176.00

iii) **Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year**

		2016-17	2015-16
a)	**Purchase of Materials:**		
	Hira Ferro Alloys Ltd	**1,003.34**	1,164.88
	Hira Cement Ltd	**76.88**	209.55
b)	**Service Charges Paid:**		
	Raipur Infrastructure Company Limited	**330.42**	696.59
	Chhattisgarh Ispat Bhumi Limited	**315.79**	505.41
	Hira Cement Ltd.	**394.39**	158.30
c)	**Sale of Materials:**		
	Hira Ferro Alloys Ltd.	**397.81**	369.72
	Ardent Steel Ltd.	**221.28**	-
d)	**Receipt from buy back of shares:**		
	Chhattisgarh Captive Coal Mining Limited	**-**	122.74
e)	**Purchase of Fixed Assets:**		
	Ardent Steel Limited	**-**	146.86
	Godawari Green Energy Limited	**-**	38.09
	Hira Ferro Alloys Ltd	**30.01**	53.50
f)	**Sale of Fixed Assets:**		
	Ardent Steel Limited	**157.30**	-
g)	**Interest received:**		
	Godawari Energy Limited	**702.12**	382.65
	Ardent Steel Ltd.	**30.81**	18.54
h)	**Dividend received:**		
	Hira Ferro Alloys Limited	**-**	60.25
i)	**Investment Made:**		
	Ardent Steel Ltd.	**339.00**	-
	Chhattisgarh Ispat Bhumi Limited	**-**	12.70

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

		2016-17	2015-16
j)	**Advance Received:**		
	Ardent Steel Limited	**1,000.00**	-
k)	**Loan/Advance Given:**		
	Ardent Steel Ltd.	**348.93**	823.00
	Godawari Energy Limited	**52.54**	4,077.45
l)	**Repayment receipt of Loan/Advance given:**		
	Ardent Steel Limited	**469.90**	748.30
	Godawari Energy Limited	**8.00**	-
m)	**Rent Paid:**		
	Raipur Complex	**4.98**	3.84
n)	**Remuneration**		
	Shri B. L. Agrawal	**60.00**	60.00
	Shri Dinesh Agrawal	**18.00**	18.00
	Shri Abhisekh Agrawal	**18.00**	18.00
	Shri Sanjay Bothra	**34.38**	45.23
	Shri Y. C. Rao	**24.51**	23.98

39. SEGMENT-WISE REVENUE RESULTS :

Basis of preparation :

i) Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly Steel and Electricity have been identified as the business segments.

ii) The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

Information about business Segments-Primary ₹ in Lacs

Particulars	External Sales		Inter Segment Sales		Eliminations		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
A) REVENUE								
Steel Segment	**153513.76**	153013.24	**0.00**	0.00	**0.00**	0.00	**153513.76**	153013.24
Electricity Segment	**1088.21**	875.41	**20268.73**	20261.50	**(20268.73)**	(20261.50)	**1088.21**	875.41
Total Segment Revenue	**154601.97**	153888.65	**20268.73**	20261.50	**(20268.73)**	(20261.50)	**154601.97**	153888.65

B) RESULTS	2016-17	2015-16
Segment Operational Profit		
Steel Segment	**1,415.74**	867.40
Electricity Segment	**11129.55**	11556.81
Total Segment Results	**12545.29**	12424.21
Un-allocated expenditure net off unallocated income	**(2675.80)**	(3566.36)
Operating Profit	**9,869.49**	8857.85
Interest Expenses	**(17670.34)**	(16317.77)
Tax Expense	**(57.03)**	(2637.37)
Net Profit/(Loss)	**(7,743.82)**	(4822.56)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

C) OTHER INFORMATION	2016-17	2015-16
Segment Assets		
Steel Segment	**196181.52**	210293.15
Electricity Segment	**40314.56**	41233.72
Total Segment Assets	**236496.08**	251526.87
Un-allocable Assets	**2370.26**	2613.68
Total Assets	**238866.33**	254140.54
Segment Liabilities and Provisions		
Steel Segment	**145379.44**	155676.64
Electricity Segment	**16692.01**	17798.77
Total Segment Liabilities & Provisions	**162071.45**	173475.41
Un-allocable Liabilities and Provisions	**8328.57**	7559.34
Total Liabilities and Provisions	**170400.02**	181034.75
Capital Expenditure		
Steel Segment	**4021.14**	14011.23
Electricity Segment	**0.00**	302.10
Un-allocable Capital Expenditure	**10.51**	64.04
Total Capital Expenditure	**4031.65**	14377.37
Depreciation & Amortisation		
Steel Segment	**7371.80**	6808.53
Electricity Segment	**446.24**	498.50
Total Segment Depreciation & Amortisation	**7818.04**	7307.04

40. UNHEDGED FOREIGN CURRENCY EXPOSURE

Foreign currency exposure that are not hedged by any derivative instruments or Forward Contracts as at 31st March, 2017 amount to ₹ 8174.60 lacs (Previous Year ₹ 38763.60 lacs)

41. During the year the company has incurred ₹ 221.65 lacs on account of Corporate Social Responsibility Activities. According to provisions of Section 135 of the Companies Act, 2013, the company is required to spent ₹ 36.44 lacs based on the average net profits of the previous three years. The break-up of amount spent during the year are as follows:

Particulars	In Cash (₹ in lacs)	Yet to be paid in cash	Total (₹ in lacs)
Constructions/acquisition of any assets	0.00	0.00	0.00
On purpose other than above	221.65	0.00	221.65

42. The Company has identified the amount due to Micro, Small and Medium Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at 31st March, 2017

(₹ in lacs)

		2016-17	2015-16
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at 31st March, 2017		
	Principal Amount	**47.27**	49.18
	Interest	**0.00**	0.00
ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31st March, 2017	**0.00**	0.00
iii)	The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	**0.00**	0.00
iv)	The amount of interest accrued and remaining unpaid for the year ending 31st March, 2017	**0.00**	0.00
v)	The amount of further interest remaining due and payable for the earlier years	**0.00**	0.00

Note : The information has been given in respect of such suppliers to the extent they could be identified as "Micro, Small and Medium" enterprises on the basis of information available with the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

43. DISCLOSURE PURSUANT TO REGULATION 34(3) & 53(F) AND PARA A OF SCHEDULE-V OF SEBI (LODR) REGULATION, 2015:

Loans and Advances in the nature of loans given

(₹ in lacs)

Name of the Company	Amount outstanding as at 31.03.2017	Maximum amount outstanding during the year	Investment by the loanee in the shares of the company
Godawari Energy Limited	6261.27	6261.27	0.00
Ardent Steel Limited	0.00	388.17	0.00

44. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs (₹ in lacs)	Other denomination Notes (₹ in lacs)	Total (₹ in lacs)
Closing cash in hand as on November 8, 2016	9.6	6.61	16.21
(+) Permitted receipts	-	26.29	26.29
(-) Permitted payments	0.18	25.90	26.08
(-) Amount deposited in Banks	9.42	-	9.42
Closing cash in hand as on December 30, 2016	-	7.00	7.00

45. PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED OR REARRANGED WHEREVER NECESSARY.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

INDEPENDENT AUDITORS' REPORT

To the Members of Godawari Power & Ispat Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Godawari Power and Ispat Limited ("the Holding Company")and its subsidiaries (collectively referred to as "the Company" or "the Group"), its associates and jointly controlled entities, which comprise the consolidated balance sheet as at 31st March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then end summary of the significant accounting policies and other explanatory information (here in after referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (here in after referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken in to account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, as at 31st March 2017 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matters

The financial statements include the Group's share of net loss of ₹ 67.58 lacs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of an associate and two jointly controlled entities, whose financial statements/financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities and associates, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the afore said consolidated Ind AS financial statements have been kepts of as it appears from our examination of those books.
   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March 2017 from being appointed as a Director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 32 to the consolidated Ind AS financial statements;

ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and

iv. the Group has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 41 to the consolidated Ind AS financial statements.

For OP Singhania & Co.
(ICAI Firm Regn. No. 002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership number: 076961

Raipur, 30th May, 2017

ANNEXURE - A TO THE AUDITORS' REPORT

Report on the Internal Financial Control Sunder Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Godawari Power and Ispat Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 over ride 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For OP Singhania & Co.
(ICAI Firm Regn. No. 002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership number: 076961

Raipur, 30th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31.03.2017

(₹ in lacs)

Particulars	Note No	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4	**222,207.13**	219,860.42	236,684.00
(b) Capital work-in-progress		**13,549.41**	22,976.59	17,608.23
(c) Goodwill		**-**	-	43.37
(d) Other intangible assets	5	**10,423.26**	9,079.41	4,738.68
(e) Intangible assets under development		**44.75**	860.03	547.28
(f) Investments in associates and joint ventures	6	**10,268.77**	10,791.38	4,826.92
(g) Financial assets				
(i) Investments	6	**567.39**	575.97	2,787.17
(ii) Other financial assets	7	**156.03**	61.12	1,757.46
(h) Deferred tax assets (net)	8	**1,506.96**	1,364.14	-
(i) Other non-current assets	9	**809.09**	488.61	2,054.45
		259,532.78	266,057.66	271,047.55
(2) Current assets				
(a) Inventories	10	**30,436.17**	40,978.27	40,597.06
(b) Financial assets				
(i) Investments	11	**-**	-	41.69
(ii) Trade Receivables	12	**11,355.89**	9,823.89	14,241.56
(iii) Cash and cash equivalents	13	**3,369.40**	2,612.56	2,857.71
(iv) Bank Balances other than cash and cash equivalents mentioned above	13	**1,743.63**	7,193.15	7,652.81
(v) Loans	14	**-**	-	1,586.84
(c) Current tax assets (net)		**246.00**	475.00	152.56
(d) Other current assets	9	**18,638.91**	14,354.20	26,609.49
		65,790.00	75,437.08	93,739.71
Total Assets		**325,322.79**	**341,494.74**	**364,787.26**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	**3,411.12**	3,163.12	3,163.12
(b) Other equity		**66,282.31**	76,326.67	85,061.35
Equity attributable to owners of the Company		**69,693.44**	79,489.80	88,224.47
Non-controlling interest		**15,332.11**	10,336.53	15,931.53
Total equity		**85,025.55**	89,826.33	104,156.00
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	**197,986.29**	136,601.04	140,866.56
(b) Provisions	17	**634.24**	423.83	450.85
(c) Deferred tax Liabilities (net)	8	**-**	-	3,636.44
(d) Other non-current liabilities	18	**183.34**	236.64	297.84
		198,803.86	137,261.51	145,251.68
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	**19,549.82**	34,075.84	37,410.79
(ii) Trade Payables	20	**12,467.49**	44,392.44	46,845.72
(iii) Other Financial Liabilities	21	**5,050.13**	31,712.39	26,283.46
(b) Other current liabilities	22	**4,243.53**	4,200.63	4,620.38
(c) Provisions	17	**37.27**	25.59	43.10
(d) Current tax liabilities (net)		**145.14**	-	176.13
		41,493.37	114,406.90	115,379.59
Total Equity and Liabilities		**325,322.79**	341,494.74	364,787.26
Summary of significant accounting policies	2.1			
First time adoption of Ind AS	3.1			

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Particulars	Notes	2016-17	2015-16
INCOME			
Revenue from operations	23	**199,407.95**	220,369.68
Other Income	24	**1,530.40**	1,890.31
TOTAL REVENUE (I)		**200,938.35**	222,259.98
EXPENSES			
Cost of raw material and component consumed	25	**111,717.05**	127,205.71
Purchase of Traded Goods		**618.24**	6,016.90
(Increase)/decrease in inventories of finished goods work-in-progress and traded goods	26	**720.30**	3,202.48
Excise Duty on sales		**18,966.75**	22,397.15
Employees benefits expenses	27	**7,701.83**	9,255.43
Finance costs	28	**25,914.88**	25,200.18
Depreciation and amortization expenses	29	**12,008.56**	12,649.09
Other Expenses	30	**30,608.12**	30,579.54
TOTAL EXPENSES (II)		**208,255.72**	236,506.47
Profit/(loss) before Non-contolling Interest, Share of profit/(loss) of associates and joint ventures and tax		**(7,317.38)**	(14,246.49)
Add: Share of profit/(loss) of associates and Joint Ventures (after tax)		**26.97**	(450.85)
Profit/(loss) before tax		**(7,290.41)**	(14,697.34)
Tax expenses			
Current tax		**207.92**	188.24
Deferred Tax		**(136.07)**	(4,900.82)
Total tax expenses		**71.85**	(4,712.58)
Profit/(loss) after tax		**(7,362.26)**	(9,984.75)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Acturial gain or loss on defined benefit plans		**(15.97)**	44.76
Income tax relating to items that will not be reclassified to profit or loss		**5.95**	(13.61)
		(10.02)	31.15
Total Comprehensive Income for the period Comprising Profit/(Loss) and Other Comprehensive Income for the period)		**(7,372.28)**	(9,953.60)
Profit/(loss) attributable to:			
Owners		**(7,450.64)**	(8,866.90)
Non-controlling interests		**88.37**	(1,117.85)
		(7,362.26)	(9,984.75)
Other Comprehensive Income attributable to:			
Owners		**(11.58)**	22.54
Non-controlling interests		**1.56**	8.61
		(10.02)	31.15
Earnings per equity share [nominal value of share @ ₹ 10/- (31st March, 2016 ₹ 10)	31		
Basic		**(22.42)**	(30.48)
Diluted		**(22.42)**	(30.48)
Summary of significant accounting policies	2.1		
First time adoption of Ind AS	3.2		

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Particulars		2017	2016
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**(7,317.38)**	(14,246.49)
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation/amortization		**12,008.56**	12,649.09
Loss/(profit) on sale of fixed assets		**(155.66)**	(15.25)
Loss/(profit) on sale of non-current other investments		**(90.00)**	(26.63)
Provision for gratuity		**222.08**	(44.53)
Provision/Allowances for credit loss on debtors		**11.86**	(848.47)
(Gain)/loss on Derivative interest swap		**(183.86)**	67.43
Interest Expenses		**25,914.88**	25,200.18
Interest Income		**(1,189.74)**	(1,734.90)
Dividend Income		**-**	(60.25)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**29,220.73**	20,940.18
Movements in working capital :			
Increase/(decrease) in trade payables		**(31,924.95)**	(4,136.02)
Increase/(decrease) in other financial liabilities		**(44.01)**	471.04
Increase/(decrease) in other current liabilities		**42.90**	(419.75)
Increase/(decrease) in Other non-current liablities		**(53.30)**	(61.20)
Decrease/(increase) in trade receivables		**(1,531.89)**	6,535.07
Decrease/(increase) in inventories		**10,542.10**	(381.21)
Decrease/(increase) in short-term loans and advances		**-**	1,586.84
Decrease/(increase) in other current assets		**(4,284.71)**	1,565.84
Decrease/(increase) in other non-current assets		**(320.48)**	12,255.28
Cash generated from/(used in) operations		**1,646.39**	38,356.07
Direct taxes paid (net of refunds)		**(185.75)**	(651.10)
Net Cash flow from/(used in) operating activities	**A**	**1,460.64**	37,704.97
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets and CWIP		**(7,161.77)**	(16,994.57)
Proceeds from sale of fixed assets		**1,859.23**	11,955.23
Proceeds from sale of non-current other investments		**120.00**	47.02
(Increase)/decrease in non-current other investments		**-**	442.32
Proceeds from bank deposits (having original maturity of more than three months)		**5,354.62**	2,156.00
Interest received		**1,189.74**	1,734.90
Dividends received		**-**	60.25
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	**B**	**1,361.83**	(598.86)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Particulars		2017	2016
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital including premium		**3,100.00**	-
Redemption of debenture		**(2,459.83)**	(1,458.33)
Proceeds from long-term borrowings		**62,090.45**	17,021.81
Repayment of long-term borrowings		**(24,355.35)**	(23,997.62)
Proceeds/(Repayment) of short-term borrowings		**(14,526.03)**	(3,334.95)
Interest paid		**(25,914.88)**	(25,200.18)
Dividends paid on equity shares		**-**	(327.56)
Tax on equity dividend paid		**-**	(54.42)
Net cash flow from/(used in) financing activities	**C**	**(2,065.64)**	(37,351.26)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		**756.83**	(245.15)
Cash and Cash Equivalents at the beginning of the year		**2,612.56**	2,857.71
Cash and Cash Equivalents at the end of the year (refer note-13)		**3,369.40**	2,612.56
Components of cash and cash equivalents			
Cash in hand		**17.92**	34.37
Stamp in hand		**1.23**	1.23
With banks- on current account		**3,350.25**	2,576.97
		3,369.40	2,612.56

The Statement of Cash Flow has been prepared using Indirect method as per Ind AS 7.

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lacs)

Equity Share Capital

Balance as at 01.04.2015	Changes in the equity share capital during the year	Balance as at 31.03.2016
3,163.12	-	3,163.12

Equity Share Capital

Balance as at 01.04.2016	Changes in the equity share capital during the year	Balance as at 31.03.2017
3,163.12	248.00	3,411.12

Other Equity

	Reserves and Surplus					Equity Instruments through Other Comprehensive Income (Net of Tax)	Other items of Other Comprehensive Income (Gain/ loss on employee benefit) (Net of Tax)	Total
	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings			
Balance at the beginning of the reporting period 01.04.2015	7,987.65	17,932.05	2,375.00	17,641.00	39,242.08	-	-	85,177.78
Changes in accounting policies or prior period errors-MTM Loss on Derivatives	-	-	-	-	(116.43)	-	-	(116.43)
Restated balance at the beginning of the reporting period 01.04.2015	**7,987.65**	**17,932.05**	**2,375.00**	**17,641.00**	**39,125.65**	**-**	**-**	**85,061.35**
Changes on loss/acquisition of control	2,914.61	-	-	(750.00)	(1,505.38)	-	-	659.24
Fair value of equity instruments, net of taxes	-	-	-	-	-	(176.17)	-	(176.17)
Total Other Comprehensive Income for the year	-	-	-	-	-	-	31.15	31.15
Transfers	-	-	(360.00)	(360.00)	-	-	-	-
Profit/(loss)for the year	-	-	-	-	(8,866.90)	-	-	(8,866.90)
Final Dividend Paid	**-**	**-**	**-**	**-**	**(381.98)**	**-**	**-**	**(381.98)**
Balance at the end of the reporting period 31.03.2016	**10,902.26**	**17,932.05**	**2,015.00**	**17,251.00**	**28,371.38**	**(176.17)**	**31.15**	**76,326.67**
Changes on loss of control	**-**	**-**	**-**	**-**	**(5,456.79)**	**-**	**-**	**(5,456.79)**
Fair value of equity instruments, net of taxes	**-**	**-**	**-**	**-**	**-**	**21.09**	**-**	**21.09**
Total Other Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(10.02)**	**(10.02)**
On issue of shares	**-**	**2,852.00**	**-**	**-**	**-**	**-**	**-**	**2,852.00**
Profit/(loss)for the year	**-**	**-**	**-**	**-**	**(7,450.64)**	**-**	**-**	**(7,450.64)**
Balance at the end of the reporting period 31.03.2017	**10,902.26**	**20,784.05**	**2,015.00**	**17,251.00**	**15,463.96**	**(155.09)**	**21.13**	**66,282.31**

Note:
During the year, the company has issued equity shares to the promoters on Preferential allotment basis for meeting the compliance of restructuring of debt facilities approved by the lenders.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

1. CORPORATE INFORMATION

The Company, its subsidiaries and its associates & joint venture [jointly referred to as the 'Group' herein under] considered in these consolidated financial statements are:

a) Subsidiaries

Name of the Company	Country of incorporation	Proportion (%) of equity interest		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Hira Ferro Alloys Limited*	India	**0.00%**	0.00%	51.26%
Godawari Energy Limited	India	**51.30%**	51.30%	51.30%
Godawari Green Energy Limited	India	**76.12%**	100.00%	100.00%
Godawari Clinkers & Cement Limited	India	**100.00%**	100.00%	100.00%
Krishna Global & Minerals Limited	India	**100.00%**	100.00%	100.00%
Godawari Integrated Steel (India) Limited	India	**100.00%**	100.00%	100.00%
Ardent Steel Limited	India	**76.34%**	75.00%	75.00%

* As on 30.03.2016, the subsidiary company viz. Hira Ferro Alloys Limited has become associate as the parent company has sold out 2.81% from its investment.

b) Associates

Name of the Company	Country of incorporation	Proportion (%) of equity interest		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Hira Ferro Alloys Limited	India	**48.45%**	48.45%	0.00%
Jagdamba Power & Alloys Limited	India	**26.00%**	26.00%	26.00%
Chhattisgarh Ispat Bhumi Limited	India	**35.36%**	35.36%	35.36%

c) Joint Venture

Name of the Company	Country of incorporation	Proportion (%) of equity interest		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Raipur Infrastructure Company Ltd.	India	**33.33%**	33.33%	33.33%
Chhattisgarh Captive Coal Mining Ltd	India	**25.93%**	25.93%	25.93%
Godawari Natural Resources Ltd.	India	**33.88%**	33.88%	33.88%

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND PRESENTATION

i) These Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI).

ii) For all periods upto and including the year ended 31st March 2016, the Group prepared its consolidated financial statements in accordance with accounting standards notified as Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

iii) These financial statements for the year ended 31st March, 2017 are the Group's first Ind AS Consolidated Financial Statements.

iv) The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) and

- Defined benefit plans - plan assets

v) Subsidiaries are entities where the group exercise or controls more than one-half of its total share capital. The net assets results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements upto their date of disposal, being the date of control ceases.

vi) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

vii) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Çapital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements.

viii) Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

ix) Non-controlling interests in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

x) Investments in associates and joint venture are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in the profit & loss, and the Company's share of other comprehensive income of the investee in the other comprehensive income.

xi) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the forseeable future.

xii) Group's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets are classified as non-current.

A liability is current when it is:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has identified twelve months as its operating cycle.

b) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Group determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

c) Property, Plant and Equipment (PPE)

i) The Group has elected to avail the exemption granted by Ind AS 101 'First Time Adoption of the Indian Accounting Standards' to continue with the carrying value for all of its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (i.e. as on April 1, 2015).

ii) An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

iii) The cost of an item of property, plant and equipment is measured at :

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which is to be incurred either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

iv) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.

v) After initial recognition, PPE is carried at cost less accumulated depreciation/amortization and accumulated impairment losses, if any.

vi) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

vii) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

viii) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

ix) The Group has continued the policy adopted for accounting for exchange differences arising from translation of long term foreign currency monetary items recognized in financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP, pursuant to para 46A/46AA and D13AA of Ind AS 101, 'First time adoption of Indian Accounting Standards'. Accordingly, the exchange differences arising on translation/settlement of long term foreign currency monetary items pertaining to the acquisition of a depreciable asset have been adjusted to the cost of the asset and are depreciated over the remaining life of the asset.

d) Capital Work in Progress

i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.

iii) Capital Expenditure incurred for creation of facilities, over which the Group does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

e) Intangible Assets

i) The Group has elected to avail the exemption granted by Ind AS 101 'First Time Adoption of the Indian Accounting Standards' to continue with the carrying value for all of its Intangible Assets as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of transition (i.e. as on April 1, 2015).

ii) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

iii) Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses, if any.

iv) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

f) Leases

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

- Leased assets

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

g) Mining Assets

i) Exploration and Evaluation Assets

Upon obtaining the legal rights to explore a specific area but before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the expenditure incurred on finding specific mineral resources are capitalised as Exploration and Evaluation Assets. These expenditure include expenses on acquisition of rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching; sampling; activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource and such other related expenses. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, the Exploration and Evaluation Assets are reclassified as part of the right to mine.

At the initial recognition the Exploration and Evaluation Assets are measured at cost. After recognition, the Group continues to use the cost model.

Exploration and Evaluation Assets are assessed for impairment when facts and circumstances suggest that the carrying amount of such assets may exceed its recoverable amount.

After the reclassification of the Exploration and Evaluation Assets as part of the Right to Mine, the cost is then amortised over the remaining useful life of the mining rights.

ii) Stripping Activity

During the development phase of the mine (before production begins), stripping costs are capitalised as part of the cost of right to mine.

During the production phase, two benefits accrue from the stripping activity: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the costs of that stripping overburden removal activity is accounted for in accordance with the principles of Ind AS 2, Inventories.

To the extent the benefit is improved access to ore, these costs are recognised as Stripping Activity Asset, if the following criteria are met:-

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

The Stripping Cost capitalised during the development phase or during the production phase is amortised using the units or production method.

In accordance with Ind AS 101 First Time Adoption of Ind AS, the previously recognised asset balance that resulted from stripping activity undertaken during the production phase ('predecessor stripping asset' classified as Iron Ore Mines under Intangible Assets) is reclassified as a part of an existing asset i.e Right to Mine to which the stripping activity relates, to the extent that there remains an identifiable component of the ore body with which the predecessor stripping asset can be associated. Such balances will be amortised over the remaining expected useful life of the Right to Mine.

h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has considered that recovery of excise duty flows to the Group on its own account. Therefore it is a liability of the manufacturer and forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, Sales Tax/Value Added Tax (VAT) are not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

ii) Interest income

Interest income is recognised using the effective interest rate (EIR) method.

iii) Dividends

Revenue is recognised when the Group's right to receive payment is established, which is generally when shareholders approve the dividend.

iv) Rendering of services

Revenue from the services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

i) Depreciation on Property, Plant & Equipment and Amortization of Intangible Assets

i) Depreciation on Property, Plant & Equipment is provided on Straight Line Method based on estimated useful life of the assets which is same as envisaged in schedule II of the Companies Act, 2013 with the exception of the following:

- spares classified as plant and equipment are depreciated over 3 to 15 years based on the technical evaluation of useful life done by the management.
- assets costing ₹ 5,000 or less are fully depreciated in the year of purchase.

ii) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

iii) The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

iv) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

v) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower.

vi) Leasehold land is amortised annually on the basis of tenure of lease period. Freehold land is not depreciated.

vii) Expenditure incurred on Right to Mine are amortised over useful life of the mines or lease period whichever is shorter.

viii) Intangible assets having finite-life are amortised on a straight line basis over the period of their expected useful lifes and indefinte lifes intangible assets are not amortised but are tested for impairment.

j) Inventories :

i) Inventories are valued at lower of cost and net realizable value, after providing for obsolences, if any.

ii) Cost of Raw Materials, Stores & Spares, Work in Progress, Finished Goods and Stock-in-Trade are computed on Moving Average basis.

iii) Cost of Work in Progress and Finished Goods includes direct materials, labour, conversion and proportion of manufacturing overheads incurred in bringing the inventories to their present location and condition.

iv) The cost is determined using moving average cost formula and net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

k) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

l) Income Taxes

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In which case the tax is also recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

m) Foreign Currency Transactions

i) The Group has elected to avail the exemption available under IND AS 101, First time adoption of IND AS with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities pursuant to para 46A/46AA and D13AA of Ind AS 101.

ii) Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date.

iii) Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in the Statement of Profit and loss.

n) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund and Contributory Pension Fund. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group has recognized the gratuity payable to the employees as per the Payment of Gratuity Act,1972 and Leave Encashment Benefits as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a consolidated asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

p) Impairment of non-financial assets - property, plant and equipment and intangible assets

The Group assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

q) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

Treasury shares held in the Trust are deducted from the equity.

r) Financial Intruments

i) Financial Assets

A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement

Financial assets carried at amortised cost

A financial asset is 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 (FVTOCI)

A financial asset is measured at FVTOCI 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 (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

C. Other Investments

Other investments are measured at fair value through Other Comprehensive Income with value changes recognised therein.

D. Impairment of financial assets

In accordance with Ind AS 109, the Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through OCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

ii) Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized 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) Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps and forward contracts to mitigate the risk of changes in interest rates and exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

iv) Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

s) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

t) Dividend Distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

u) Statement of Cash Flows

i) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, stamp in hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

v) Segment Reporting Policies

Identification of segments :

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements. The Operating segments have been identified on the basis of the nature of products.

Inter segment Transfers :

The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

The Corporate and Other segment includes general corporate income and expense items which are not allocated to any business segment.

w) Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are recognised in the Statement of Profit and Loss.

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1st April, 2015. As such, Previous GAAP balances related to business combinations entered into before that date have been carried forward as at the date of transition to Ind AS.

2.3 KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Measurement of defined benefit obligations

The measurement of defined benefit and other post-employment benefits obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.4 First Time adoption of Ind AS

The Group has adopted Ind AS with effect from 1st April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2015. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

i) Business combination exemption

The Group has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2015 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP.

ii) Deemed cost for property, plant and equipment and intangible assets

The Group has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

iii) Joint arrangements

The Group has elected to measure the investment in joint venture in the consolidated financial statements at the deemed cost of investment at the investment at the date of transition to Ind AS. Accordingly, the investment has been measured at the aggregate of the carrying amounts of the assets and liabilities that had been previously proportionately consolidated under the Previous GAAP for the year ended 31st March, 2015 and 31st March,2016.

iv) Non-controlling interests

The Group has carried the carrying amount of non-controlling interests recognised under Previous GAAP as at the date of transition to Ind AS and will apply the requirements of Ind AS 110, 'Consolidated Financial Statements' applicable to non-controlling interests prospectively from the date of transition to Ind AS.

v) Long Term Foreign Currency Monetary Items

The Group continues the policy of capitalising exchange differences arising on translation of long term foreign currency monetary items.

b) Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i) Reconciliation of Equity as at 1st April, 2015 and 31st March, 2016. Refer Note-3.1.

ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016. Refer Note-3.2.

Previous GAAP figures have been reclassified/regroupped wherever necessary to confirm with Consolidated Financial Statements prepared under Ind AS.

3.1 Reconciliations

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

1. Consolidated Equity as at April 1, 2015 and March 31, 2016
2. Consolidated Net profit for the year ended March 31, 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Reconciliation of consolidated equity as previously reported under IGAAP to Ind AS

(₹ in lacs)

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		Previous IGAAP	Effects of transition to Ind-AS	Ind AS	Previous IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment, capital work-in-progress, other intangible assets & intangible assets under development..	A & B	258,974.09	647.47	259,621.56	251,231.32	1,545.14	252,776.45
Financial Assets							
(i) Investments	B & C	6,638.86	975.23	7,614.08	10,806.91	560.43	11,367.35
(ii) Other Financial assets		1,757.46	-	1,757.46	61.12	-	61.12
Deferred tax assets (net)	B	-	-	-	-	1,364.14	1,364.14
Other non-current assets	B	2,068.64	(14.19)	2,054.45	502.10	(13.49)	488.61
Total non-current assets		**269,439.04**	**1,608.51**	**271,047.55**	**262,601.45**	**3,456.22**	**266,057.66**
Current assets							
Inventories	C	41,922.20	(1,325.13)	40,597.06	43,109.78	(2,131.51)	40,978.27
Financial assets:							
(i) Investments	B	61.99	(20.31)	41.69	22.64	(22.64)	-
(ii) Trade receivables	B & D	15,591.92	(1,350.36)	14,241.56	10,391.00	(567.11)	9,823.89
(iii) Bank, Cash and cash equivalents...	B	10,525.85	(15.33)	10,510.52	9,814.24	(8.52)	9,805.72
(iv) Loans & Advances	B	1,624.67	(37.84)	1,586.84	37.83	(37.83)	-
Other current assets	B & E	35,461.44	(8,851.95)	26,609.49	21,671.54	(7,317.33)	14,354.20
Current tax assets (net)	B	184.11	(31.55)	152.56	507.73	(32.74)	475.00
Total current assets		105,372.17	(11,632.46)	93,739.71	85,554.75	(10,117.67)	75,437.08
Total assets		**374,811.22**	**(10,023.96)**	**364,787.26**	**348,156.20**	**(6,661.46)**	**341,494.74**
EQUITY AND LIABILITIES							
Equity							
Equity share capital	C	3,275.62	(112.50)	3,163.12	3,275.62	(112.50)	3,163.12
Other equity	B & H	89,165.18	(4,103.83)	85,061.35	79,228.50	(2,901.83)	76,326.67
Non-controlling interest		16,711.69	(780.16)	15,931.53	10,342.36	(5.84)	10,336.53
Total equity		109,152.49	(4,996.49)	104,156.00	92,846.49	(3,020.17)	89,826.33
Non-current liabilities							
Financial Liabilities							
(i) Borrowings	B & I	140,944.10	(77.55)	140,866.56	136,925.57	(324.53)	136,601.04
Provisions	B & L	457.16	(6.31)	450.85	423.83	-	423.83
Deferred tax liabilities (Net)	G	8,351.50	(4,715.06)	3,636.44	3,700.92	(3,700.92)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		Previous IGAAP	Effects of transition to Ind-AS	Ind AS	Previous IGAAP	Effects of transition to Ind-AS	Ind AS
Other non-current liabilities		297.84	-	297.84	236.64	-	236.64
Current liabilities							
Financial Liabilities							
(i) Borrowings	B	37,402.89	7.90	37,410.79	34,066.45	9.39	34,075.84
(ii) Trade Payables	B	46,598.70	247.03	46,845.72	44,147.41	245.03	44,392.44
(iii) Other financial liabilities	J	26,167.03	116.43	26,283.46	31,528.53	183.86	31,712.39
Other current liabilities	B & K	4,702.66	(82.27)	4,620.38	4,254.76	(54.13)	4,200.63
Provisions	B & L	560.23	(517.13)	43.10	25.59	-	25.59
Current tax liabilities (net)	B	176.64	(0.50)	176.13	-	-	-
Total current liabilities		**265,658.73**	**(5,027.46)**	**260,631.27**	**255,309.70**	**(3,641.29)**	**251,668.41**
Total equity and liabilities		**374,811.22**	**(10,023.96)**	**364,787.26**	**348,156.20**	**(6,661.46)**	**341,494.74**

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

A) Property, Plant and Equipment (PPE)

As per Ind AS 16, PPE are defined as tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one period. Certain spare parts now meets the definition of PPE and are accordingly classified as PPE.

B) Joint Arrangements

Under the previous GAAP, the investment in Joint Ventures was proportionately consolidated alongwith the consolidated assets and liabilities. Under Ind AS, the investment in Joint Ventures will be measured using the equity method. Previously proportionately consolidated assets and liabilities under previous GAAP have been aggregrated into a single line investment balance in the joint venture at the date of transition to Ind AS.

C) Investment

Other Investments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP. Further, Treasury shares held in the name of the Trust, has been shown as a deduction from the equity in accordance with Para 33 and 34 of Ind AS 32.

D) Inventory

Stores and spare parts in the nature of property, plant and equipment has been reclassified.

E) Trade receivables

Under the GAAP, the company has create provision for impairment of trade receivables consist only in respect of specific amount for incurred loss.

Under the Ind AS, impairment allowance has been determined based on expected credit loss model (ECL).

F) Other Current Assets

The Unused MAT credit are reclassified to Deferred tax as on date of transition to Ind AS by reclassifying from Other current assets.

G) Deferred Tax liabilities

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences land which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

H) Other equity

a) Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.

b) In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

I) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. The unamorized transaction cost is further classified in to non-current and current.

J) Other financial liabilities

Gains/ losses on derivative on interest rate swap accounted for on the basis of the bank certificate. Further it is considered as prior period error as at the date of transition period.

K) Other liabilities

Adjustments that reflect unamortised negative past service cost arising on modification of the leave encashment in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

L) Provisions

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

3.2 Reconciliation of statement of profit & loss as previously reported under IGAAP to Ind AS (₹ in lacs)

	Particulars	Note	Year ended March 31, 2016		
			Previous IGAAP	Effects of transition to Ind-AS	Ind AS
I.	**INCOME**				
	Revenue from operations	A & B	201,163	19,207	220,370
II.	Other Income	A & B	1,730	161	1,890
	Total Income (I+II)		**202,893**	**19,367**	**222,260**
III.	**EXPENDITURE**				
	Cost of materials consumed	A & B	114,577	12,628	127,206
	Purchases of Stock-in-Trade	A & B	6,017	0	6,017
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	A & B	851	2,351	3,202
	Employee benefits expense	A,B & C	8,269	987	9,255
	Finance costs	A,B & D	24,682	518	25,200
	Depreciation and amortization expense	A,B & E	11,573	1,076	12,649
	Excise Duty on sales	A & B	20,815	1,582	22,397
	Other expenses	A,B & F	30,425	155	30,580
	Total expenses		**217,210**	**19,297**	**236,506**
IV.	**Profit/(loss) before Non-contolling Interest, Share of profit/(loss) of associates and joint ventures and tax**		(14,317)	70	(14,246)
V.	Add: Share of profit/(loss) of associates & JVs	A & B	(431)	(20)	(451)
VI.	**Profit before tax (IV + V)**		**(14,748)**	**50**	**(14,697)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars		Note	Year ended March 31, 2016		
			Previous IGAAP	Effects of transition to Ind-AS	Ind AS
VII.	Tax expense:				
	(1) Current tax	A & B	224	(36)	188
	(2) Deferred Tax	A,B & G	(4,187)	(714)	(4,901)
VIII.	**Profit for the period (VI - VII)**		**(10,785)**	**800**	**(9,985)**
IX.	Other comprehensive income for the year, net of tax		-	45	45
X.	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX**		**(10,785)**	**845**	**(9,940)**
XI.	**Profit/(loss) attributable to:**				
	Owners		(9,688)	821	(8,867)
	Non-controlling interests		(1,097)	(21)	(1,118)
			(10,785)	**800**	**(9,985)**
XII.	**Other Comprehensive Income attributable to:**				
	Owners		-	23	23
	Non-controlling interests		-	9	9
			-	**31**	**31**

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

A. Joint Arrangements

Investments in Joint Venture have been proportionately consolidated under the Previous GAAP for the year ended 31st March, 2016 which have been now measured at the aggregate of the carrying amounts of the assets and liabilities using the equity method as per Ind AS, hence, the revenue and expenditure related to joint venture have been eliminated.

B. Loss of control

Previously the results of loss of control on account of subsidiary company which was become associate during the year was not included, now the results of disposed businesses are included in the consolidated financial statements upto their date of disposal, being the date of control ceases in accordance with Ind AS.

C. Employee benefit expenses

As per Ind-AS 19- Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

Adjustments reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

D. Finance costs

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. The unamorized transaction cost is further classified in to non-current and current.

E. Depreciation

Recognition of additional PPE from spare parts has resulted in additional depreciation charge for the year ended 31st March 2016.

F. Other expenses

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). Due to ECL model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

G. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

4. Property, Plant and Equipment

(₹ in lacs)

	Freehold Land	Leasehold Land	Site & Land Development	Factory Shed & Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Total
Gross Block								
Carring Value								
At 1 April 2015	5,543.04	328.10	6,683.64	24,991.44	197,441.41	731.31	965.07	236,684.00
Additions	106.52	84.61	-	115.65	3,292.34	5.69	56.14	3,660.97
Disposals.........................	473.33	61.02	228.07	1,353.50	9,440.11	122.60	325.56	12,004.19
Other adjustments	-	-	-	-	-	-	-	-
- Exchange differences	-	-	-	-	2,797.51	-	-	2,797.51
- Borrowing costs	-	-	-	-	21.00	-	-	21.00
At 31 March, 2016	5,176.23	351.69	6,455.57	23,753.59	194,112.16	614.40	695.65	231,159.29
Additions	51.19	-	57.41	2,772.38	10,901.13	17.15	47.06	13,846.33
Disposals.........................	23.48	-	11.85	1,014.54	721.06	-	73.96	1,844.89
Other adjustments	-	-	-	-	-	-	-	
- Exchange differences	-	-	-	-	(659.66)	-	-	(659.66)
- Borrowing costs	-	-	-	810.46	1,271.61	-	-	2,082.07
At 31 March, 2017	**5,203.95**	**351.69**	**6,501.12**	**26,321.88**	**204,904.18**	**631.55**	**668.75**	**244,583.13**
Depreciation								
At 1 April 2015................	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year..........	-	2.10	-	1,748.26	9,378.00	90.12	144.60	11,363.08
(Disposals)/Adjustment......	-	-	-	-	38.06	-	26.15	64.22
At 31 March, 2016	-	2.10	-	1,748.26	9,339.93	90.12	118.45	11,298.86
Charge for the year..........	-	2.66	-	1,373.56	9,643.99	83.20	115.04	11,218.46
(Disposals)/Adjustment......	-	-	-	27.05	84.31	-	29.96	141.32
At 31 March, 2017	**-**	**4.77**	**-**	**3,094.77**	**18,899.61**	**173.33**	**203.52**	**22,376.00**
Net Block								
At 1 April, 2015...............	**5,543.04**	**328.10**	**6,683.64**	**24,991.44**	**197,441.41**	**731.31**	**965.07**	**236,684.00**
At 31 March, 2016	**5,176.23**	**349.59**	**6,455.57**	**22,005.33**	**184,772.23**	**524.27**	**577.20**	**219,860.42**
At 31 March, 2017	**5,203.95**	**346.92**	**6,501.12**	**23,227.11**	**186,004.57**	**458.22**	**465.23**	**222,207.13**

Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March, 2017 was ₹ 2082.07 lacs (31st March, 2015: ₹ 21 lacs). The company capitalized the borrowing cost in the capital work-in-progress (CWIP) ₹ 371.03 lacs (31st March,2016: ₹ 1458.32 Lacs). The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred from Capital Work In Progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Exchange differences on long term foreign currency monetary items

Pursuant to the option granted by Clause 46A of the AS-11 (as amended vide notifiation dt. 29.12.2011), the Company during the year added/(reduced) ₹ (659.66 lacs) (31st March, 2016: ₹ 2157.06 lacs) to the cost of assets, being the exchange differences of long term foreign currency monetary items relating to acquisition of assets. This amount is to be depreciated over the balance life of the assets.

5. Other Intangible assets

(₹ in lacs)

	Computer software	Right to Mine	Know How	Total
Gross Block				
Carrying Value				
At 1 April 2015	187.54	4,151.15	400.00	4,738.68
Purchase/additions	-	4,722.17	-	4,722.17
Deductions	13.63	-	-	13.63
- Borrowing costs	-	111.82	-	111.82
At 31 March, 2016	**173.91**	**8,985.13**	**400.00**	**9,559.04**
Purchase/additions	815.28	1,320.21	-	2,135.49
Other adjustments				
- Borrowing costs	-	-	-	-
At 31 March, 2017	**989.19**	**10,305.34**	**400.00**	**11,694.53**
Amortization				
At 1 April 2015	-	-	-	-
Charge for the year	36.62	393.01	50.00	479.63
At 31 March, 2016	36.62	393.01	50.00	479.63
Charge for the year	37.07	704.58	50.00	791.64
At 31 March, 2017	**73.68**	**1,097.59**	**100.00**	**1,271.27**
Net Block				
At 1 April, 2015	187.54	4,151.15	400.00	4,738.68
At 31 March, 2016	137.29	8,592.12	350.00	9,079.41
At 31 March, 2017	**915.50**	**9,207.75**	**300.00**	**10,423.26**

Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31st March, 2017 was ₹ Nil (31st March, 2016: ₹111.82 lacs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

6. Investments

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade investments			
Investment in associates and joint ventures			
Carried at amortised cost			
Investment in associates			
Unquoted Equity Instruments	**9,452.73**	9,843.25	3,813.52
Investment in joint ventures	**-**	-	-
Unquoted Equity Instruments	**816.04**	948.13	1,013.39
	10,268.77	10,791.38	4,826.92
Other investments			
Carried at Fair Value through OCI			
Investments in Unquoted Equity Instruments	**530.36**	542.27	1,124.05
Investments in Unquoted Preference Instruments	**15.00**	15.00	1,654.47
Investment in mutual fund, fully Paid up (quoted)	**22.03**	18.70	8.65
	567.39	575.97	2,787.17
	10,836.17	11,367.35	7,614.08
Agrregate amount of quoted investments and market value thereof	**22.03**	18.70	1,124.05
Agreegate amount of Unquoted investments	**10,814.13**	11,348.65	6,490.03
Investment carried at cost	**10,268.77**	10,791.38	4,826.92
Investment carried at fair value through OCI	**567.39**	575.97	2,787.17

7. Other financial assets

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered good unless stated			
otherwise			
Deposit with bank with original maturity for more than 12 months (refer note-13)	**156.03**	61.12	1,757.46
	156.03	61.12	1,757.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

8. Deferred Tax (Assets)/Liabilities

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Tax (Assets)/Liability			
Temporary differences on account of PPE & Other intangible assets	**23,180.47**	22,185.91	20,274.63
Temporary differences on account of fair valuation of Investments	**11.84**	11.88	64.34
Temporary differences on account of Employee Benefits	**(219.26)**	(148.92)	(161.10)
Unused MAT Credit	**(7,693.83)**	(7,499.45)	(7,578.58)
Others	**(16,786.18)**	(15,913.56)	(8,962.84)
Net deferred tax (assets)/ liabilities	**(1,506.96)**	**(1,364.14)**	**3,636.44**

RECONCILIATION OF DEFERRED TAX (ASSETS)/LIABILITIES (NET)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Tax (Assets)/Liabilities			
Deferred tax liability / (assets) at the beginning of the year	**(1,364.14)**	3,636.44	3,636.44
Deferred tax liability / (assets) during the year on account of timing difference	**51.56**	(5,079.70)	-
MAT Credit utilized/(arised)	**(194.38)**	79.13	-
DEFERRED TAX LIABILITIES / (ASSETS) AT THE END OF THE YEAR	**(1,506.96)**	**(1,364.14)**	**3,636.44**

9. Other assets (unsecured, considered good)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advances for capital goods	**27.35**	16.43	1,011.35			-
Advances other than capital advances						
Advance to Vendors				**12,124.59**	7,687.36	19,210.16
Prepaid expenses				**1,102.29**	368.92	880.95
Balance with statutory/govt. authorities				**5,317.94**	**6,260.39**	**6,330.16**
Interest accrued on FDR				**94.10**	**37.54**	**168.72**
Unamortized expenses	**1.83**	**1.83**	**1.83**			
Security deposit with govt. & others	**779.91**	**470.35**	**1,041.26**	**-**	**-**	**19.50**
	809.09	**488.61**	**2,054.45**	**18,638.91**	**14,354.20**	**26,609.49**

10. Inventories (valued at lower of cost and net realizable value)

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Raw Materials and components	**11,450.16**	19,285.88	17,699.20
Work-in-progress	**362.35**	326.60	321.26
Finished goods & by-products	**10,166.29**	10,927.07	14,270.74
Stock-in-trade	**7.01**	2.29	69.27
Stores & spares	**8,450.35**	**10,436.43**	**8,236.58**
	30,436.17	**40,978.27**	**40,597.06**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

11. Current Investments

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Carried at fair value through Profit and Loss			
Investments in equity instruments (quoted)	-	-	41.69
	-	-	41.69
Aggregate amount of quoted investments and market value thereof	-	-	41.69

12. Trade receivables

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered good unless stated otherwise			
Trade receivables	11,803.53	10,259.78	15,551.92
Less: Provision for doubtful receivables	447.64	435.89	1,310.36
	11,355.89	9,823.89	14,241.56

13. Bank, Cash and cash equivalents

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Cash and cash equivalents						
Balances with banks:						
On current accounts				3,350.25	2,576.97	1,072.81
Deposits with original maturity of less than three months				-	-	1,748.94
Stamp in hand				1.23	1.23	1.23
Cash on hand				17.92	34.37	34.73
				3,369.40	2,612.56	2,857.71
Other bank balances						
Unpaid dividend account				8.43	16.56	24.15
Deposits with original maturity for more than 12 months	156.03	61.12	1,757.46			
Deposits with original maturity for more than 3 months but less than 12 months				1,735.20	7,176.59	7,628.66
	156.03	61.12	1,757.46	1,743.63	7,193.15	7,652.81
Amount disclosed under other financial assets (note 7)	156.03	61.12	1,757.46			
	-	-	-	5,113.03	9,805.72	10,510.52

Out of total Deposits, deposits of ₹ 1891.23 lacs (31st March, 2016: ₹ 7237.71 lacs, 1st April, 2015: ₹ 9386.12 lacs) are pledged with various banks for availing LC, Bank Guarantee, OD facilities, margin money and pledged with other Govt. Departments.

14. Loans (unsecured, considered good)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Loans and advances to body corporates	-	-	1,586.84
	-	-	1,586.84

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

15. Equity Share capital

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Authorised			
49800000 (31st March, 2016: 49800000 and 1st April, 2015:	**4,980.00**	4,980.00	4,980.00
49800000) equity shares of ₹ 10/- each	**4,980.00**	4,980.00	4,980.00
Issued, subscribed and fully paid-up			
35236247 (31st March, 2016: 32756247 and 1st April, 2015:			
32756247) equity shares of ₹ 10/- each fully paid-up	**3,411.12**	3,163.12	3,163.12

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	As at 31.03.2017		As at 31.03.2016	
	No.	(₹ in lacs)	No.	(₹ in lacs)
At the beginning of the period	**32,756,247**	**3,163.12**	32,756,247	3,163.12
Issued during the period	**2,480,000**	**248.00**	-	-
Outstanding at the end of the period	**35,236,247**	**3,411.12**	32,756,247	3,163.12

b. Terms/rights attached to equity shares

The company has only one class of 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 proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of the 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.

c. Details of shareholders holding more than 5% shares in the company:

	As at 31.03.2017		As at 31.03.2016	
	No.	% of holding in the class	No.	% of holding in the class
Equity shares of ₹ 10/- each fully paid				
Hira Infra-tek Limited	**1790652**	**5.08**	1790652	5.47
Dinesh Agrawal	**1846347**	**5.24**	1846347	5.64
B.L. Agrawal	**1731398**	**4.91**	1731398	5.29
B.L. Agrawal (HUF)	**2738932**	**7.77**	1183347	3.61
Vinay Agrawal	**1875466**	**5.32**	500000	1.53
Kumar Agrawal	**2460678**	**6.98**	1038398	3.17
	12443473	**35.31**	8090142	24.70

d. Apart from authorised equity share capital, the Company is also having authorised preference share capital consisting 3,200,000 preference share of ₹ 10/- each as on 31.03.2017, 31.03.2016 and 01.04.2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

16. Borrowings

(₹ in lacs)

Particulars	Effective interest rate	Maturity	Non-current portion As at 31.03.2017	Non-current portion As at 31.03.2016	Non-current portion As at 01.04.2015	Current maturities As at 31.03.2017	Current maturities As at 31.03.2016	Current maturities As at 01.04.2015
Debentures								
209 (31 March, 2016: 417 and 1st April,2015: 450) A Series 12% Redeemebale Non-Convertible Debentures of ₹ 1,000,000/- each (secured).............	12.00%	31/Mar/2032	**2,040.23**	-	4,166.67	**43.11**	4,166.67	333.33
200 (31 March, 2016: 200 and 1st April, 2015: 200) B Series 12.75% Redeemebale Non -Convertible Debentures of ₹ 1,000,000/- each (secured).............	12.75%	31/Mar/2032	**1,946.42**	2,000.00	2,000.00	**53.58**	-	-
150 (31 March, 2016: 188 and 1st April, 2015: 300) C Series 12.90% Redeemebale Non -Convertible Debentures of ₹ 1,000,000/- each (secured).............	12.90%	31/Mar/2032	**1,482.77**	375.00	1,875.00	**15.73**	1,500.00	1,125.00
			-	-	-	**-**	-	-
Term Loans								
Secured loan from bank...	11.15% to 12.50%	31/Mar/2032	**107,061.97**	-	-	**1,315.39**	-	-
Secured loan from bank...	13.85%	6/May/2019	**-**	-	946.06	**-**	-	315.22
Secured loan from bank...	13.85%	10/Mar/2019	**-**	-	894.40	**-**	-	314.61
Secured loan from bank...	12.50%	21/Aug/2016	**-**	-	83.10	**-**	-	200.00
Secured loan from bank...	12.50%	3/Mar/2018	**-**	-	185.05	**-**	-	92.71
Secured loan from bank...	10% to 13%	31/Mar/2026	**10,131.41**	-	-	**299.88**	-	-
Secured loan from bank...	11.60% to 11.90%	15/Sep/2032	**47,503.06**	49,188.60	54,502.62	**1,608.98**	3,735.42	4,981.16
Secured loan from bank...	11.30%	31/Mar/2023	**4,287.38**	49,763.77	36,447.03	**42.75**	10,185.75	9,091.00
Secured loan from bank...	10% to 12.75%	August 2022 & August 2028	**15,417.26**	3,531.34	6,661.80	**409.53**	4,893.68	4,071.87
Foreign currency loan from banks (secured)..............	11.95%	31/Mar/2032	**8,088.76**	29,006.29	32,596.55	**85.83**	5,414.51	4,728.37
			-	-	-	**-**	-	-
Other loans and advances								
Other loans from bank and financial institution (secured)...			**27.04**	414.04	508.27	**37.25**	125.99	202.68
From body corporates (unsecured)	12.00%		**-**	2,322.00	-			
			197,986.29	136,601.04	140,866.56	**3,912.03**	30,022.01	25,455.96
The above amount includes								
Secured borrowings..			**197,986.29**	134,279.04	140,866.56	**3,912.03**	30,022.01	25,455.96
Unsecured borrowings..			**-**	2,322.00	-	**-**	-	-
Amount disclosed under the head............................ "other financial liabilities" (refer note 21)						**(3,912.03)**	(30,022.01)	(25,455.96)
Net amount			**197,986.29**	136,601.04	140,866.56	**-**	-	-

During the year the group has made default in repayment of borrowings to banks and debentureholders and on request of the company for simple restructuring of debt facilities, which inter-alia includes conversion of excess working capital into WCTL, Funding of Interest on term loan from 1st June, 2016 to 28th Feb, 2017 into FITL and elongation in repayment period of debt for ten to fifteen years, the bank has approved the restructuring proposals and accordingly the promoters contribution of ₹ 31 crores has been brought in by the promoters by subscribing to equity capital of the Company on Preferential allotment basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

17. Provisions

(₹ in lacs)

	Non-Current			Current		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	**As at 31.03.2017**	As at 31.03.2016	As at 01.04.2015
Provision for Employee Benefits....	**634.24**	423.83	450.85	**37.27**	25.59	43.10
	634.24	423.83	450.85	**37.27**	25.59	43.10

18. Other non-current liablities

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Retention money payable	**183.34**	236.64	297.84
	183.34	236.64	297.84

19. Borrowings

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Cash Credit facility from banks (secured)	**19,537.82**	34,063.84	33,381.68
Loans and advances from body corporate and others (unsecured)	**12.00**	12.00	4,029.11
The above amount includes	**19,549.82**	34,075.84	37,410.79
Secured borrowings	**19,537.82**	34,063.84	33,381.68
Unsecured borrowings	**12.00**	12.00	4,029.11

20. Trade Payable

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Trade payables	**12,467.49**	44,392.44	46,845.72
	12,467.49	44,392.44	46,845.72

21. Other Financial Liabilities

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current maturities of long-term borrowings (secured) (refer note-16)	**3,912.03**	30,022.01	25,455.96
Derivatives financial liabilities - Interest rate swap	**-**	183.86	116.43
Interest accrued but not due on borrowings	**1,124.01**	1,165.55	686.92
Interest accrued and due on borrowings	**-**	324.41	-
Investor Education and Protection Fund will be credited by following amounts (as and when due)	**-**	-	-
Unpaid dividend	**14.09**	16.56	24.15
	5,050.13	31,712.39	26,283.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

22. Other Current Liabilities

(₹ in lacs)

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Other Payable	**2,953.28**	4,200.63	2,494.92
Renewal purchase obligation	**-**	-	455.19
Advances from Customer	**1,178.26**	-	1,345.10
Creditors for capital goods	**111.98**	-	325.17
	4,243.53	4,200.63	4,620.38

23. Revenue from operations

(₹ in lacs)

	2016-17	2015-16
Revenue from operations		
Sale of products		
Manufacturing Goods and By-Products	**185,774.18**	202,924.62
Electricity	**11,354.79**	13,986.79
Traded Goods	**683.18**	3,121.51
Sale of services	**719.55**	40.95
Other operating revenue		
Scrap & Other sales	**876.25**	295.80
Revenue from operations	**199,407.95**	220,369.68

24. Other Income

	2016-17	2015-16
Interest Income on		
Bank Deposits	**210.01**	390.74
Others	**979.73**	1,344.16
Dividend Income		
- From Others	**-**	60.25
Profit on sale of non-current Investments	**90.00**	26.63
Profit on sale of fixed assets	**155.66**	15.25
Other non-operating income (net of expenses directly attributable to such income)	**94.99**	53.28
	1,530.40	1,890.31

25. Cost of raw material and components consumed

	2016-17	2015-16
Inventory at the beginning of the year	**19,285.88**	15,001.23
Add: purchases	**103,881.33**	131,490.35
	123,167.21	146,491.59
Less : Inventory at the end of the year	**11,450.16**	19,285.88
Cost of raw material and components consumed	**111,717.05**	127,205.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

26. (Increase)/Decrease in Inventories

	2016-17	2015-16	(Increase)/ Decrease 2016-17
Inventories at the end of the year			
Finished goods and by-products	**10,171.02**	10,927.07	756.06
Work-in-progress	**362.35**	326.60	(35.76)
Traded goods	**2.29**	2.29	-
	10,535.66	11,255.96	720.30
Inventories at the beginning of the year			2015-16
Finished goods and by-products	**10,927.07**	14,090.47	3,163.40
Work-in-progress	**326.60**	321.26	(5.33)
Traded goods	**2.29**	46.70	44.41
	11,255.96	14,458.44	3,202.48
Net (increase)/decrease in inventories	**(720.30)**	(3,202.48)	

27. Employee benefits expenses

(₹ in lacs)

	2016-17	2015-16
Salaries, wages and bonus	**6,834.71**	8,277.25
Contribution to provident and other fund	**433.09**	464.65
Gratuity Expense	**112.78**	217.21
Workmen and staff welfare expenses	**321.25**	296.31
	7,701.83	9,255.43

28. Finance Costs

	2016-17	2015-16
Interest		
- on debentures	**768.07**	1,118.76
- on term loans	**15,474.11**	13,037.91
- on working capital	**6,624.83**	4,080.66
- on others	**559.44**	603.76
Exchange difference to the extent considered as an adjustment to borrowing costs	**51.80**	707.36
Bank charges	**2,436.62**	5,651.72
	25,914.88	25,200.18

29. Depreciation and amortization expenses

	2016-17	2015-16
Depreciation on tangible assets	**11,405.91**	12,121.51
Amortization of intangible assets	**602.65**	527.58
	12,008.56	12,649.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

30. Other Expenses

	2016-17	2015-16
Consumption of stores and spares	**7,467.91**	6,641.17
(Increase)/decrease of excise duty on inventory	**(213.34)**	(357.85)
Grid Parallel operation charges	**240.98**	240.98
Power & Fuel	**11,279.96**	11,373.62
Water Charges	**294.51**	402.96
Other manufacturing expenses	**4,481.16**	4,274.42
CDM Expenses	**4.35**	32.24
Rent	**109.01**	127.62
Rates and taxes	**434.13**	346.77
Insurance	**95.64**	133.91
Repairs and maintenance		
- Plant and machinery	**695.90**	1,360.25
- Buildings	**160.12**	590.40
- Others	**164.57**	225.52
Rebate, shortage claims & other deductions	**540.01**	696.73
Commission		
- Other than Sole selling agents	**267.14**	423.40
Provision/Allowances for credit loss on debtors	**11.86**	(848.47)
Travelling and conveyance	**277.82**	467.55
Communication expenses	**78.68**	125.76
Printing and stationery	**29.16**	48.37
Legal and professional fees	**513.86**	401.24
Directors' sitting fees	**10.36**	15.40
Directors' remuneration	**121.84**	148.50
Payment to Auditor (Refer details below)	**24.11**	31.71
Frieght and forwarding charges	**2,437.86**	1,498.99
Security service charges	**310.39**	411.37
Loss on sale of fixed assets (net)	**-**	50.56
Loss/(gain) on MTM on Derivative-Interest rate swap	**(183.86)**	67.43
Corporate Social Responsibility	**221.65**	387.14
Miscellaneous expenses	**732.36**	1,261.88
	30,608	30,580

Payment to Auditor

	2016-17	2015-16
As auditor :		
Audit fee	**21.74**	28.30
Tax Audit fee	**1.52**	2.00
In other capacity		
Taxation matters	**0.77**	1.38
Other services	**0.09**	0.03
	24.11	31.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

31. Earnings per share (EPS)

	2016-17	2015-16
Net profit/(loss) as per statement of profit and loss	**(7,362.26)**	(9,984.75)
Net profit/(loss) attributable to Equity Shareholders	**(7,362.26)**	(9,984.75)
Nominal Value of Equity Shares (j)	**10**	10
Weighted average number of equity shares in calculating Basic EPS	**32,830,987**	32,756,247
Weighted average number of equity shares in calculating Diluted EPS	**32,830,987**	32,756,247
Basic & Diluted EPS		
- Basic earning per share	**(22.42)**	(30.48)
- Diluted earning per share	**(22.42)**	(30.48)

32. Contingent Liabilities and Capital Commitments are not provided for in respect of :-

i) Counter Guarantees given to banks against Bank guarantees issued by the group Banker aggregate to ₹ 1395.63 lacs (Previous Year ₹ 1110.63 lacs.)

ii) Disputed liability of ₹ 302.21 lacs (Previous Year ₹ 499.11 lacs) on account of Service Tax against which the group has preferred an appeal.

iii) Disputed liability of ₹ 63.00 lacs (Previous Year ₹ 389.34 lacs) on account of CENVAT against which the Group has preferred an appeal.

iv) Disputed liability of ₹ 271.65 lacs (Previous ₹ 653.26 lacs) on account of Sales Tax against which the Group has preferred an appeal.

v) Disputed liability of ₹ 390.76 lacs (Previous Year ₹ 390.86) on account of Income Tax against which the Group has preferred an appeal.

vi) Disputed liability of ₹ 43.64 lacs (Previous Year ₹ 10 lacs) on account of Custom Duty against which the Group has preferred an appeal.

vii) Disputed energy development cess demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh ₹ 3740.6 lacs (Previous Year ₹ 3279.08 lacs). The Hon'ble High Court of Chhattisgarh has held the levy of cess as unconstitutional vide its order dated 20th June, 2008. The State Govt. has filed a Special Leave Petition before Hon'ble Supereme Court, which is pending for final disposal.

viii) Disputed demand raised by NTPC Vidyut Vyapar Nigam Limited amounting to ₹ 1800 lacs on account of not meeting the requirement of minimum generation of power as per Power Purchase Agreement. The matter is pending with the appeallate authority.

ix) During the year, the EPC Contractor has invoke the Arbitration Agreement and appointed arbitrator for all disputes and claims in respect of encashment of performance based guarantee by the Group, claim of interest & 50% of the project costs over run etc.

x) Disputed demand of ₹ 758 lacs (Previous Year ₹ 758 lacs) from Chhattisgarh State Power Distribution Company Limited relating to cross subsidy on power sold under open access during the financial year 2009-10. The Group has contested the demand and obtained stay from CSERC and expect a favourable decision in favour of Group.

xi) Disputed payment for delayed wages as estimated ₹ 5.57 lacs plus 10 times compensation amounting to ₹ 55.71 lacs is pending under The Payment of Wages Act, 1936 with SDJM, Kendujhar (Odisha).

xii) Estimated amount of contracts remaining to be executed on capital accounts ₹ 2095 lacs (Previous Year ₹ 2858 lacs).

33 During the previous year, the Income Tax Department has conducted a search operation U/s 132 of the Income Tax Act, 1961. During the course of search the various documents and records have been seized by them and physical verification of stocks was also conducted by independent agencies appointed by them. The group does not foresee any liability at this stage, however the due provision of liability, if any, shall be made after completion of the block assessment.

34. DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 19 EMPLOYEE BENEFITS:

a. Defined Contribution Plan:

Amount of ₹ 433.09 lacs (P.Y. ₹ 464.65 lacs) is recognised as an expenses and included in employee benefit expense as under the following defined contribution plans (Refer Note no 27)

(₹ in lacs)

	2016-17	2015-16
Benefit (Contribution to):		
Provident Fund & Employee state insurance scheme	**433.09**	464.65
Total	**433.09**	464.65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

b. Defined benefit plan:

Gratuity:

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary for each completed year of service subject to a maximum of ₹ 10 Lacs. Vesting occurs upon completion of five continuous years of service in accordance with Indian law.

	Particulars	Gratuity		Leave Encashment	
		2016-17	2015-16	**2016-17**	2015-16
		(Non Funded)	(Non Funded)	**(Non Funded)**	(Non Funded)
I	**Change in Present value of defined benefit obiligation during the year:**				
	Present value of defined benefit obiligation at the beginning of the year	**449.41**	400.02	**70.01**	206.84
	Interest Cost	**35.95**	32.00	**5.60**	16.54
	Current Service Cost	**76.83**	66.53	**82.14**	119.87
	Past Service Cost	**-**	-	**-**	-
	Benefit paid directly by employer	**(23.04)**	(41.60)	**(34.32)**	(236.02)
	Acturial Changes arising from changes in financial assumption	**31.07**	59.46	**5.79**	9.51
	Acturial Changes arising from changes in expirence assumption	**(2.21)**	(67.00)	**(17.51)**	(46.73)
	Present value of defined benefit obiligation at the end of the year	**568.01**	449.41	**111.71**	70.01
II	**Change in fair value of plan assets during the year:**				
	Fair value of plan assets at the beginning of the year	**-**	-	**-**	-
	Contribution paid by the employer	**23.04**	41.60	**34.32**	236.02
	Benefit paid from the fund	**(23.04)**	(41.60)	**(34.32)**	(236.02)
	Fair value of plan assets at the end of the year	**-**	-	**-**	-
III	**Net asset / (liability) recognised in the balance sheet:**				
	Present Value of defined benefit obiligation at the end of the year	**568.01**	449.41	**111.71**	70.01
	Fair value of plan assets at the end of the year	**-**	-	**-**	-
	Amount recognised in the balance sheet	**-**	-	**-**	-
	Net asset / (liability) - Current	**30.58**	25.58	**7.24**	5.14
	Net asset / (liability) - Non-Current	**537.42**	423.83	**104.47**	64.87
IV	**Expenses recognized in the statement of profit and loss for the year:**				
	Current Service Cost	**76.83**	66.53	**82.14**	119.87
	Interest Cost on benefit obiligation (Net)	**35.95**	32.00	**5.60**	16.54
	Total expenses included in employee benefits exxpenses	**112.78**	98.53	**87.74**	136.41
V	**Recognized in other comprehensive income for the year:**				
	Acturial Changes arising from changes in financial assumption	**31.07**	59.46	**5.79**	9.51
	Acturial Changes arising from changes in expirence assumption	**(2.21)**	(67.00)	**(17.51)**	(46.73)
	Recognized in other comprehensive income for the year:	**28.86**	(7.54)	**(11.72)**	(37.22)
VI	**Maturity profile of defined benefit obiligation:**				
	Within the next 12 months (next annual reporting period)	**31.29**	1.63	**7.66**	1.35
	Between 2 and 5 years	**139.34**	11.02	**29.88**	4.01
	Between 6 and 10 years	**397.38**	436.77	**39.55**	62.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	Particulars	Gratuity		Leave Encashment	
		2016-17	2015-16	**2016-17**	2015-16
		(Non Funded)	(Non Funded)	**(Non Funded)**	(Non Funded)
VII	**Quantitative Sensitivity analysis for significant assumption is as below:**				
1	1% point increase in discount rate	**509.44**	388.87	**100.62**	60.80
	1% point decrease in discount rate	**637.60**	520.75	**124.91**	80.96
	1% point increase rate of salary Increase	**637.80**	518.24	**125.55**	81.13
	1% point decrease rate of salary Increase	**507.97**	389.96	**99.91**	60.52
	1% point increase rate of employee turnover rate	**576.66**	454.36	**113.48**	70.88
	1% point decrease rate of employee turnover rate	**558.15**	445.38	**109.68**	69.24

2 Sensitivity Analysis Method:

Sensitivity Analysis is determined based on the expected movement in liability if the assumption were not proved to be true on different count.

	Particulars	Gratuity		Leave Encashment	
		2016-17	2015-16	**2016-17**	2015-16
		(Non Funded)	(Non Funded)	**(Non Funded)**	(Non Funded)
VIII	**Actuarial assumptions:**				
1	Discount rate	**7.50%**	8.00%	**7.50%**	8.00%
2	Salary escalation	**6.00%**	6.00%	**6.00%**	6.00%
3	Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
4	Mortality post retirement rate	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
5	Rate of Employee Turnover	**1% to 8%**	1% to 8%	**1% to 8%**	1% to 8%

Expected contribution to the defined plan for the next reporting period:

Notes:

(i) The actuarial valuation of plan assets and the present value of the defined obligation were carried out at 31st March, 2017. The present value of the defined benefit obligation and the related current service cost and past service cost,were measured using the projected Uniit Credit Method.

35. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also enters into derivative contracts.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk
- Price risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.This note presents information about the risks associated with its financial instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit Risk

The Group is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The Group's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Group monitors and limits its exposure to credit risk on a continuous basis. The Group's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Group periodically reviews the finanial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognised as income in the statement of profit and loss. The Group measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and passed trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

Bank, Cash and cash equivalents

Bank, Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in lacs)

	31-Mar-17	31-Mar-16	1-Apr-15
Trade receivables	**11,355.89**	9,823.89	14,241.56
Loans and advances	**-**	-	1,586.84
Bank, Cash and cash equivalents	**5,113.03**	9,805.72	10,510.52

Impairment losses

	31-Mar-17	31-Mar-16	1-Apr-15
Trade receivables (measured under life time excepted credit loss model)			
Opening balance	**435.89**	1,310.36	1,310.36
Provided during the year	**11.76**	-	-
Reversal of provision	**-**	874.47	-
Unwinding of discount	**-**	-	-
Closing balance	**447.65**	435.89	1,310.36

Ageing analysis

	31-Mar-17	31-Mar-16
Upto 3 months	**9,013.61**	8,679.35
3-6 months	**875.56**	534.68
More than 6 months	**1,466.70**	609.86
	11,355.87	9,823.89

No significant changes in estimation techniques or assumptions were made during the reporting period

Liquidity risk

The Group is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Group monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Group has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Group's liquidity risk, the Group's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Group's reputation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

Financing arrangements

The Group has access to following undrawn borrowing facilities at the end of the reporting period:

	31-Mar-17	31-Mar-16	1-Apr-15
Term Loan	-	11,789.30	3,038.00
Cash Credit facilities	870.75	5,939.15	3,109.14

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

As at 31 March 2017	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	23,461.85	66,154.08	131832.22	221,448.14
Trade payables	12,467.49	-	-	12,467.49
Other financial liabilities	1,138.10	-	-	1,138.10
	37,067.44	66,154.08	131,832.22	235,053.73

As at 31 March 2016	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	64,097.86	136,601.04	-	200,698.90
Trade payables	44,392.44	-	-	44,392.44
Other financial liabilities	1,690.38	-	-	1,690.38
	110,180.68	136,601.04	-	246,781.72

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversley effect the borrowing cost of the Group. The Group is exposed to long term and short-term borrowings, Commercial Paper Program. The Group manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

a) Interest rate risk exposure

(₹ in lacs)

As at 31 March 2016	31-Mar-17	31-Mar-16	1-Apr-15
Variable rate borrowings	221,383.86	197,836.87	203,022.35
Fixed rate borrowings	64.28	2,862.03	710.95

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

(₹ in lacs)

	Impact on profit after tax	
	31-Mar-17	31-Mar-16
Interest rates - increase by 70 basis points	(1,545.71)	(1,253.99)
Interest rates - decrease by 70 basis points	1,545.71	1,253.99

FOREX EXPOSURE RISK

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like interest rate swap to hedge exposure to foreign currency risk.

PARTICULARS	Currency	Currency in Lacs	
		2016-17	2015-16
Borrowings	USD	**126.08**	542.50
Trade Payables	USD	**0.06**	11.64
Derivative- Interest Swap	USD	**-**	409.40

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates.

(₹ in lacs)

PARTICULARS	Impact on profit after tax	
	31-Mar-17	31-Mar-16
Foreign exchange rates - increase by 1%	**83.55**	638.27
Foreign exchange rates - decrease by 1%	**(83.55)**	(638.27)

PRICE RISK:

The entity is exposed to equity price risk, which arised out from FVTPL quoted equity shares and FVTOCI quoted and unquoted equity shares including preference instrument. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk:

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments classified as at FVTOCI, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of ₹ 10.90 lacs (2015-16: ₹ 11.07 lacs); an equal change in the opposite direction would have decreased profit and loss.

36. CAPITAL MANAGEMENT

The Group's main objectives when managing capital are to:- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business; ensure compliance with covenants related to its credit facilities; and minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions, safeguard its ability to continue as a going concern; to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Group's capital management, capital includes issued capital and all other equity reserves. The Group manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Group manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity

(₹ in lacs)

	31 March 2017	31 March 2016
Total liabilities	**221,448.14**	200,698.90
Less : Bank, Cash and cash equivalent	**5,113.03**	9,805.72
Net debt	**216,335.11**	**190,893.18**
Total equity	**69,693.44**	79,489.80
Net debt to equity ratio	**3.10**	**2.40**

During the year the Group has made default in repayment of borrowings to banks and dues to debenture holders. On request of the Group for simple restructuring of debt facilities, which inter-alia includes conversion of excess working capital into WCTL, Funding of Interest on term loan from 1st June, 2016 to 28th Feb, 2017 into FITL and elongation in repayment period of borrowings and debentures for ten to fifteen years, the bank has approved the restructuring proposals and accordingly the promoters contribution has been brought in by the promoters by subscribing to equity capital of the Group on Preferential allotment basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

37. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly of indirectly

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(₹ in lacs)

PARTICULARS	Carrying amount			
	As at 31.03.2017	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost:				
Investments	**10268.77**	-	-	-
Trade receivables	**11355.887**	-	-	-
Loans	**0.000**	-	-	-
Bank, Cash and bank balances	**5269.055**	-	-	-
	26893.71	-	-	-
Financial assets at fair value through other comprehensive income:				
Investments	**567.39**	22.03	545.36	-
Total	**567.39**	22.03	545.36	-
Financial liabilities at amortised cost:				
Long term borrowings	**197986.29**	-	-	-
Short term borrowings	**19549.82**	-	-	-
Trade payables	**12467.49**	-	-	-
Other financial liabilities	**5050.13**	-	-	-
Total	**235053.73**	**-**	**-**	**-**
Financial liabilities at fair value				
Derivatives - Interest swap	**-**	-	-	-
Total	**-**	**-**	**-**	**-**

(₹ in lacs)

	Carrying amount			
	As at 31.03.2016	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised cost:				
Investments	10791.38	-	-	-
Trade receivables	9823.89	-	-	-
Loans	0.00	-	-	-
Bank, Cash and bank balances	9866.84	-	-	-
	30482.11	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

	Carrying amount As at 31.03.2016	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income:				
Investments	575.97	18.70	557.27	-
Total	**575.97**	**18.70**	**557.27**	**-**
Financial liabilities at amortised cost:				
Long term borrowings	136601.04	-	-	-
Short term borrowings	34075.84	-	-	-
Trade payables	44392.44	-	-	-
Other financial liabilities	31528.53	-	-	-
Total	**246597.86**	**-**	**-**	**-**
Financial liabilities at fair value				
Derivatives - Interest swap	183.86	-	183.86	-
Total	**183.86**	**-**	**183.86**	**-**

(₹ in lacs)

	Carrying amount As at 01.04.2015	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Investments	4826.92	-	-	-
Trade receivables	14241.56	-	-	-
Loans	1586.84	-	-	-
Bank, Cash and bank balances	12267.98	-	-	-
Total	**32923.29**	**-**	**-**	**-**
Financial assets at fair value through other comprehensive income:				
Investments	2787.17	8.65	2778.52	-
Total	**2787.17**	**8.65**	**2778.52**	**-**
Financial assets at fair value through profit or loss:				
Investments	41.69	41.69	0.00	-
Total	41.69	41.69	0.00	-
Financial liabilities at amortised cost:				
Long term borrowings	140866.56	-	-	-
Short term borrowings	37410.79	-	-	-
Trade payables	46845.72	-	-	-
Other financial liabilities	26167.03	-	-	-
Total	**251290.10**	**-**	**-**	**-**
Financial liabilities at fair value				
Derivatives - Interest swap	116.43	-	116.43	-
Total	**116.43**	**-**	**116.43**	**-**

During the reporting period ending 31st March, 2017 and 31st March, 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

38. The mining department has levied royalty on Iron Ore mining on the basis of rates applicable for the highest grades of Iron Ore. The Company has, however provided royalty on the basis of rates applicable to different grades of Iron Ore produced and dispatched. Pursuant to a writ petition filed by the company, the honorable high court of Chhattisgarh has upheld the company's contention of charging royalty and directed mining department to make fresh assessment of royalty payable. However the mining department has filed review appeal before the double bench of honorable high court of Chhattisgarh against the order. After assessment by mining department, cumulative amount of excess royalty of ₹ 34.79 Crores as on 31.03.17 (₹ 43.25 Crores as on 31.03.16) is shown as advance royalty and carried to Balance Sheet.

39. Information on Related Party Disclosures are given below :

i) Related Parties

a) Subsidiaries

- Godawari Green Energy Limited
- Godawari Clinkers & Cement Limited (Wholly owned)
- Krishna Global Minerals Limited (Wholly owned)
- Godawari Integrated Steels (India) Limited (Wholly owned)
- Godawari Energy Limited
- Ardent Steel Limited

b) Associates

- Jagdamba Power & Alloys Ltd.
- Chhattisgarh Ispat Bhumi Limited
- Hira Ferro Alloys Limited

c) Other Related Parties

- Hira Cement Ltd.
- Raipur Complex

d) Joint Ventures

- Raipur Infrastructure Company Ltd.
- Chhattisgarh Captive Coal Mining Ltd.
- Godawari Natural Resources Ltd.

e) Key Management Personnel

- Shri B. L. Agrawal (Managing Director)
- Shri Abhishek Agrawal (Whole Time Director)
- Shri Dinesh Agrawal (Whole Time Director)
- Shri Vinod Pillai (Whole Time Director)
- Shri Sanjay Bothra (CFO)
- Shri Y.C. Rao (Company Secretary)
- Shri Dinesh Kumar Gandhi (Whole Time Director)

ii) Transaction with Related Parties in the ordinary course of business (₹ in lacs)

		2016-17	2015-16
a) Associates	Sale of Materials	**399.36**	370.39
	Purchase of Materials	**2,126.39**	1,111.38
	Interest received	**6.03**	7.01
	Dividend Received	**-**	60.25
	Other charges paid	**318.55**	505.41
	Other charges received	**82.60**	-
	Purchase of fixed assets	**30.01**	53.50
	Investment made	**-**	12.70
	Outstandings		
	Receivables	**442.61**	259.02
	Payables	**136.82**	0.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

			2016-17	2015-16
b)	**Other Related Parties**	Purchase of Materials	**76.88**	209.55
		Sale of Materials	**9.48**	4.70
		Other charges paid	**394.39**	158.30
		Other charges received	**0.03**	-
		Rent Paid	**23.42**	18.39
		Outstandings		
		Receivables	**0.00**	3.52
		Payables	**50.89**	1.34
c)	**Joint Ventures**	Service Charges Paid	**330.42**	696.59
		Receipt from Buy back of shares	**-**	122.74
		Outstandings		
		Payables	**259.35**	409.64
d)	**Key Management Personnel**	Remuneration Paid	**180.73**	216.00
		Rent Paid	**7.20**	3.60

40. Segment-wise Revenue Results :

Basis of preparation :

i) Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly Steel and Electricity have been identified as the business segments.

ii) The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since there is no Export Market Revenue, the same has not been disclosed. The entire capital employed is within India.

Information about business Segments-Primary ₹ in Lacs

Particulars	External Sales		Inter Segment Sales		Eliminations		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
A) REVENUE								
Steel Segment	**168218.36**	183704.59	**0.00**	0.00	**0.00**	0.00	**168218.36**	183704.59
Electricity Segment	**12222.84**	14267.93	**20268.73**	27772.73	**(20268.73)**	(27772.73)	**12222.84**	14267.93
Total Segment Revenue	**180441.20**	197972.52	**20268.73**	27772.73	**(20268.73)**	(27772.73)	**180441.20**	197972.52

B) RESULTS	2016-17	2015-16
Segment Operational Profit		
Steel Segment	**3,098.30**	(6452.70)
Electricity Segment	**18305.06**	20968.31
Total Segment Results	**21403.36**	14515.61
Un-allocated expenditure net off unallocated income	**(2805.88)**	(3562.19)
Operating Profit	**18,597.47**	10953.42
Interest Expenses	**(0.26)**	(0.25)
Tax Expense	**0.00**	(0.05)
Share of profit/(loss)of associates and JV	**0.00**	(0.00)
Net Profit/(Loss)	**18,597.21**	10953.21
Other Comprehensive income	**(0.00)**	0.00
Total Comprehensive income	**18597.21**	10953.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

C) OTHER INFORMATION	2016-17	2015-16
Segment Assets		
Steel Segment	**223677.56**	219955.46
Electricity Segment	**99274.97**	118615.06
Total Segment Assets	**322952.53**	338570.52
Un-allocable Assets	**2370.26**	2924.22
Total Assets	**325322.79**	341494.74
Segment Liabilities and Provisions		
Steel Segment	**166600.39**	167210.96
Electricity Segment	**65368.28**	74504.58
Total Segment Liabilities & Provisions	**231968.67**	241715.54
Un-allocable Liabilities and Provisions	**8328.57**	9952.87
Total Liabilities and Provisions	**240297.24**	251668.41
Capital Expenditure		
Steel Segment	**6407.85**	14357.42
Electricity Segment	**743.41**	2573.11
Un-allocable Capital Expenditure	**10.51**	64.04
Total Capital Expenditure	**7161.77**	16994.57
Depreciation & Amortisation		
Steel Segment	**(3522.18)**	8890.18
Electricity Segment	**3522.30**	3758.91
Total Segment Depreciation & Amortisation	**0.12**	12649.09

41. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs (₹ in lacs)	Other denomination Notes (₹ in lacs)	Total (₹ in lacs)
Closing cash in hand as on November 8, 2016	20.75	16.61	37.36
(+) Permitted receipts	-	58.50	58.50
(-) Permitted payments	0.36	56.90	57.26
(-) Amount deposited in Banks	20.39	-	20.39
Closing cash in hand as on December 30, 2016	-	18.21	18.21

42. Previous year figures have been regroupped or rearranged wherever necessary.

The accompanying notes are integral part of the financial statements.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

ADDITIONAL INFORMATION RELATED TO CONSOLIDATED FINANCIAL STATEMENT

(₹ in lacs)

Sl. No.	Name of Entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in Profit/Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs. in lacs)	As % of consolidated net profit or loss	Amount (Rs. in lacs)	As % of consolidated other comprehensive income	Amount (Rs. in lacs)	As % of consolidated total comprehensive income	Amount (Rs. in lacs)
	Parent	48.87%	41552.85	105.09%	(7,743.82)	457.89%	-16.53	105.26%	-7760.35
	Subsidiaries (Indian)								
1	Ardent Steels Limited	5.09%	4330.60	3.36%	(247.30)	-13.85%	0.50	3.35%	-246.8
2	Godawari Green Energy Limited	14.23%	12097.86	-7.25%	534.33	-123.27%	4.45	-7.31%	538.78
3	Godawari Energy Limited	1.70%	1448.65	0.07%	(4.99)	0.00%	0.00	0.07%	-4.99
4	Godawari Integrated Steels (India) Limited	-0.01%	-10.31	0.20%	(14.41)	0.00%	0.00	0.20%	-14.41
5	Godawari Clinker & Cement Limited	0.00%	3.60	0.01%	(0.60)	0.00%	0.00	0.01%	-0.6
6	Krishna Global & Minerals Limited	0.00%	1.42	0.01%	(0.81)	0.00%	0.00	0.01%	-0.81
	Non Controlling Interests in all subsidiaries	18.03%	15332.11	-1.20%	88.37	-43.21%	1.56	-1.22%	89.93
	Associates (investment as per equity method) (Indian)								
1	Jagdamba Power and Alloys Limited	3.58%	3043.78	0.04%	(3.25)	0.00%	0.00	0.04%	-3.25
2	Chhattisgarh Ispat Bhumi Limited	0.57%	481.06	1.29%	(94.74)	0.00%	0.00	1.29%	-94.74
3	Hira Ferro Alloys Limited	6.97%	5927.89	-1.26%	92.80	-177.56%	6.41	-1.35%	99.21
	Joint Ventures (investment as per equity method) (Indian)								
1	Raipur Infrastructure Company Limited	0.72%	615.89	-0.51%	37.66	0.00%	0.00	-0.51%	37.66
2	Chhattisgarh Captive Coal Mining Limited	0.23%	199.63	0.14%	(10.50)	0.00%	0.00	0.14%	-10.5
3	Godawari Natural Resources Limited	0.00%	0.52	0.02%	(1.41)	0.00%	0.00	0.02%	-1.41

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/ JOINT VENTURES

PART "A" SUBSIDIARIES

{Pursuant to first proviso to sub-section (3) of section 129 of the companies Act, 2013, read with Rule 5 of the Companies (Account) Rules, 2014-Form AOC- 1}

(₹ in lacs)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover (Gross)	Other Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1	Ardent Steel Limited	INR	1056.50	4616.51	25667.15	25667.15	22.37	14707.50	48.47	(478.28)	(154.58)	(323.69)	NIL	76.34%
2	Godawari Green Energy Limited.	INR	2344.70	22354.90	76033.88	76033.88	NIL	11134.63	218.86	931.84	283.46	648.38	NIL	76.12%
3	Godawari Energy Limited..........	INR	2300.00	536.61	9171.71	9171.71	NIL	NIL	3.42	(9.72)	NIL	(9.72)	NIL	51.30%
4	Godawari Clinkers and Cement Limited	INR	5.00	(1.40)	4.83	4.83	NIL	NIL	0.32	(0.60)	0.00	(0.60)	NIL	100.00%
5	Krishna Global Minerals Limited.	INR	5.00	(3.58)	1.48	1.48	NIL	NIL	0.00	(0.81)	NIL	(0.81)	NIL	100.00%
6	Godawari Integrated Steels (India) Limited	INR	5.00	(15.30)	0.77	0.77	NIL	NIL	0.00	(14.41)	NIL	(14.41)	NIL	100.00%

Names of Subsidiaries which are yet to commence operations -

Sl. No.	**Name of Companies**
1	Godawari Energy Limited
2	Godawari Clinkers and Cement Limited
3	Krishna Global Minerals Limited
4	Godawari Integrated Steels (India) Limited

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/ JOINT VENTURES

PART "B" ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in lacs)

Sl. No.	Name of Associate and Joint Ventures	Latest Audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end (Refer Note- B)			Networth attributable to Shareholding as per latest audited Balance Sheet (Rs. in lacs)	Profit/Loss for the year		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated
			No.	Amount of Investment in Associates/ Joint Venture (Rs. in lacs)	Extend of Holding %		Considered in Consolidation (Rs. in lacs)	Not Considered in Consolidation		
Associates										
1	Jagdamba Power and Alloys Limited	31.03.2017	2605000	260.50	26.00%	3043.78	(3.25)	---	Note- A	---
2	Chhattisgarh Ispat Bhumi Limited.	Unaudited Balance Sheet as on 31.03.2017 has been consolidated	2810000	489.40	35.36%	481.06	(94.74)	---	Note- A	---
3	Hira Ferro Alloys Limited	31.03.2017	9491000	2234.26	48.45%	5927.89	99.21	---	Note-A	__
Joint Ventures										
1	Raipur Infrastructure Company Limited	Unaudited Balance Sheet as on 31.03.2017 has been consolidated	130700	210.70	33.31%	615.89	37.66	---	Note- A	---
2	Chhattisgarh Captive Coal Mining Limited	Unaudited Balance Sheet as on 31.03.2017 has been consolidated	342824	473.54	25.93%	199.63	(10.50)	---	Note- A	---
3	Godawari Natural Resources Limited	31.03.2017	16940	1.69	33.88%	0.52	(1.41)	---	Note- A	---

Note:
A. There is significant influence due to percentage(%) of Share Capital.
B. Shares of Associate/Joint Ventures held by the company is shown as per the audited financial statements of Godawari Power and Ispat Ltd. as on 31.03.2017.

As per our report of even date
For **OP Singhania & Co.**
(ICAI Firm Reg. No.002172C)
Chartered Accountants

per Sanjay Singhania
Partner
Membership No.076961

Place : Raipur
Date : 30.05.2017

For and on behalf of the Board of Directors of
Godawari Power & Ispat Limited

B. L. Agrawal
Managing Director

Abhishek Agrawal
Director

Y. C. Rao
Company Secretary

Sanjay Bothra
CFO

NOTES

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HIRA

GODAWARI POWER & ISPAT

An ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certified company

GODAWARI POWER AND ISPAT LIMITED

CIN: L27106CT1999PLCO13756

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