

ANNUAL FINANCIAL STATEMENT

F.Y. 2017-18

GODAWARI ENERGY LIMITED

RAIPUR (C.G.)

OPSinghania & Co.

CHARTERED ACCOUNTANTS
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Independent Auditor's Report

To the Members of Godawari Energy Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Godawari Energy Limited** ('the Company'), which comprise the balance sheet as at 31 March 2018, 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 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 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 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 judgement, 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, 2018, 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

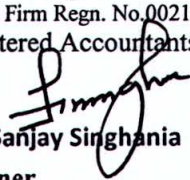
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the 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, 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 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 does not have any pending litigations which would impact its financial position.
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company;

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


per Sanjay Singhania
Partner
Membership No.076961



Raipur, 19th April, 2018

Annexure - A to the Auditors' Report

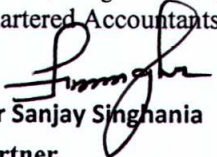
The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As there is no inventory during the year, therefore, the provisions of (ii) of clause 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (iii) The company has not granted any loans secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year, therefore, the provisions of (iii) (a) to (c) of clause 3 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 not granted and loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 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 within the meaning of section 73 to 76 of the Act and Rules framed there under to the extent notified; therefore the provisions of clause 3 (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vi) As the company has not started any commercial production, therefore, the provisions of clause 3 (vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2018 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.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.



- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) As the Company has not paid /provided any managerial remuneration, therefore, the provisions of (xi) of clause 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **OPSinghania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants


per **Sanjay Singhania**
Partner
Membership No.076961



Raipur, 19th April, 2018

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 Energy Limited** ("the Company") as of 31 March 2018 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.

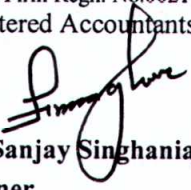
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 2018, 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 OPSinghania & Co.
(ICAI Firm Regn. No.002172C)
Chartered Accountants


per Sanjay Singhania
Partner
Membership No.076961



Raipur, 19th April, 2018

GODAWARI ENERGY LIMITED
Balance Sheet as at 31st March 2018

	Particulars	Note	AS AT 31.03.2018 (Amount in INR)	AS AT 31.03.2017 (Amount in INR)
	ASSETS			
(1)	Non-current Assets			
(a)	Property, Plant & Equipment	3	147,105,903	147,155,800
(b)	Capital work-in-progress		821,680,819	764,694,586
(c)	Other Non- current Assets	4	1,319,222	1,502,342
			970,105,944	913,352,728
(2)	Current Assets			
(a)	Financial Assets			
	Bank, Cash & cash equivalents	5	295,958	158,477
(b)	Other Current Assets	6	3,424,994	3,668,558
			3,720,952	3,827,035
	TOTAL ASSETS		973,826,896	917,179,763
	EQUITY AND LIABILITIES:			
	Equity			
(a)	Equity Share capital	7	230,000,000	230,000,000
(b)	Other Equity		51,987,298	53,661,064
			281,987,298	283,661,064
	Liabilities			
	Current Liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	8	685,827,854	626,127,493
(b)	Other current liabilities	9	6,011,744	7,391,206
			691,839,598	633,518,699
	TOTAL EQUITY AND LIABILITIES		973,826,896	917,179,763

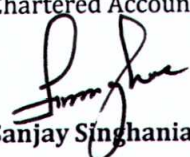
SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached


For O.P. Singhania & Co.
 (ICAI Firm Regn.No.002172C)
 Chartered Accountants,


Sanjay Singhania
 Partner
 Membership No.076961




Place : Raipur
 Dated : 19.04.2018

**For and on behalf of the Board of Directors of
 Godawari Energy Limited**


Vinod Pillai
 Whole-time Director


Sudeep Chakraborty
 Director


Sanjay Bothra
 Chief Financial Officer


Sonal Bhootra
 Company Secretary

GODAWARI ENERGY LIMITED**Statement of Profit and loss for the year ended 31st March 2018**

	Particulars	Note	31.03.2018 (Amount in INR)	31.03.2017 (Amount in INR)
I.	Other income	10	10,329	342,020
II.	Total Revenue		10,329	342,020
III.	Expenses:			
	Employee benefits expense	11	1,192,955	1,210,148
	Other expenses	12	441,243	103,832
	Depreciation expenses		49,897	-
	Total Expenses		1,684,095	1,313,980
IV.	Profit/(loss) Before Tax (II - III)		(1,673,766)	(971,960)
V.	Tax expense:			
	Current tax		-	-
			-	-
VI.	Profit/(loss) for the period (IV - V)		(1,673,766)	(971,960)
	Other comprehensive income for the year		-	-
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,673,766)	(971,960)
VII.	Earnings per equity share:	13		
	Basic		(0.07)	(0.04)
	Diluted		(0.07)	(0.04)

SIGNIFICANT ACCOUNTING POLICIES**1 & 2**

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(ICAI Firm Regn.No.002172C)
Chartered Accountants,

Sanjay Singhania
Partner
Membership No.076961



Place : Raipur
Dated : 19.04.2018

**For and on behalf of the Board of Directors of
Godawari Energy Limited**

Vinod Pillai
Whole-time Director

Sanjay Bothra
Chief Financial Officer

Sudeep Chakraborty
Director

Sonal Bhootra
Company Secretary

GODAWARI ENERGY LIMITED
Cash Flow Statement For The Year Ended 31st March, 2018

Particulars	AS AT 31.03.2018	AS AT 31.03.2017
	(Amount in INR)	(Amount in INR)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	(1,673,766)	(971,960)
Adjustments to reconcile profit before tax to cash generated by operating activities		
Net gains from sale of short term investments	-	(322,175)
Depreciation	49,897	-
Unamortised expenses written off	183,120	-
Changes in assets and liabilities		
Other Current Liabilities	(1,379,462)	3,160,663
Other Current Assets	243,564	177,661
Income Tax Paid	(2,576,647)	2,044,189
NET CASH (USED)/GENERATED IN OPERATING ACTIVITIES	(2,576,647)	2,044,189
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets including Capital work in progress	(56,986,232)	(70,623,625)
Proceeds from sale of fixed assets	-	800,000
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	(56,986,232)	(69,823,625)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayment) of other loans and advances	59,700,361	67,644,237
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	59,700,361	67,644,237
Increase/(decrease) in Cash and Cash equivalents (A+B+C)	137,482	(135,199)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	137,482	(135,199)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	158,477	293,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	295,958	158,477

Notes:

(a) Cash and cash equivalent include the following :

Cash on Hand	10,112	5,732
Balance with Banks	162,736	29,635
Stamp in Hand	123,110	123,110
	<u>295,958</u>	<u>158,477</u>

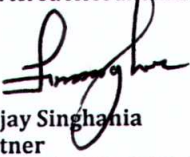
(b) Figures in brackets represent outflows.

(c) Previous year figures have been recast/restated wherever necessary.


As per our report of even date

For O P Singhania & CO.
 (ICAI Firm Regn.No.002172C)

Chartered Accountants


Sanjay Singhania
 Partner
 Membership No.076961

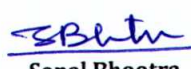



Vinod Pillai
 Whole-time Director


Sanjay Bothra
 Chief Financial Officer

For and on behalf of the Board of Directors of
Godawari Energy Limited


Sudeep Chakraborty
 Director


Sonal Bhootra
 Company Secretary

Place : Raipur
 Dated : 19.04.2018

GODAWARI ENERGY LIMITED
Statement of changes in Equity

A. Equity Share Capital

Balance at the beginning of the reporting period	Change in Equity share capital during the year	Balance at the end of the reporting period
230,000,000	-	230,000,000

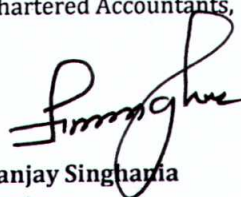
B. Other Equity

Particulars	Reserve & Surplus		Other items of comprehensive income (Gain/loss on employee benefit) (Net of Tax)	Total Equity Attributable to equity holders of the Company
	Securities Premium Reserve	Retained Earnings		
Balance as of April 1, 2016	56,000,000	(1,366,976)	-	54,633,024
Changes in equity for the year ended March 31, 2017				
Profit/(loss) for the period		(971,960)		(971,960)
Balance as of March 31, 2017	56,000,000	(2,338,936)	-	53,661,064

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached


For O.P. Singhania & Co.
(ICA Firm Regn.No.002172C)
Chartered Accountants,



Sanjay Singhania
Partner


Membership No.076961




**For and on behalf of the Board of Directors of
Godawari Energy Limited**


Vinod Pillai
Whole-time Director


Sudeep Chakraborty
Director


Sanjay Bothra
Chief Financial Officer


Sonal Bhootra
Company Secretary

Place : Raipur
Dated : 19.04.2018

GODAWARI ENERGY LIMITED
Statement of changes in Equity

A. Equity Share Capital

Balance at the beginning of the reporting period	Change in Equity share capital during the year	Balance at the end of the reporting period
230000000	-	230000000

B. Other Equity

Particulars	Reserve & Surplus		Other items of comprehensive income (Gain/loss on employee benefit)(Net of Tax)	Total Equity Attributable to equity holders of the Company
	Securities Premium Reserve	Retained Earnings		
Balance as of April 1, 2017	56,000,000	(2,338,936)	-	53,661,064
Changes in equity for the year ended March 31, 2018				
Profit/(loss) for the period		(1,673,766)		(1,673,766)
Balance as of March 31, 2018	56,000,000	(4,012,702)	-	51,987,298

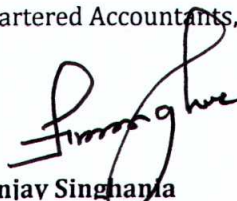
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

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For O.P. Singhania & Co.


(ICAI Firm Regn.No.002172C)

Chartered Accountants,


Sanjay Singhania
 Partner
 Membership No.076961





For and on behalf of the Board of Directors of Godawari Energy Limited


Vinod Pillai
 Whole-time Director


Sudeep Chakraborty
 Director

Place : Raipur
 Dated : 19.04.2018


Sanjay Bothra
 Chief Financial Officer


Sonal Bhootra
 Company Secretary

1. Corporate information

Godawari Energy Ltd. (the company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is in the process of setting up 1320 MW Coal Based Thermal Power Plant in the Raigarh District of Chhattisgarh.

2. Basis of preparation

- i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.
- ii) The standalone financial statements have been prepared on a historical cost basis, except certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

2.1 Summary of significant accounting

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 treated 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 cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and 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:

- 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) 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.



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

d) Capital work in progress

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.

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 immovable assets, other than land and infrastructure facilities on commissioning of projects.

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 immovable 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 Profit or Loss.

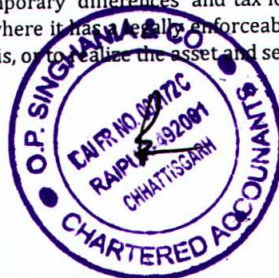
e) Depreciation on tangible fixed assets

- i) 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.
- ii) Depreciation in respect of PPE is charged on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013.
- iii) Free-hold land and site & land development cost are not depreciated.

f) Taxes on Income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



g) 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/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

h) Financial Instruments (Assets)

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument.

Financial assets of the Company comprise cash and cash equivalents, Bank Balances, Advances to employees/ contractors, security deposit, claims recoverable etc.

i) Classification

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income, and
- at fair value through profit or loss.

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

ii) Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit or Loss and in other cases spread over life of the financial instrument using effective interest method.

The company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

iii) Subsequent measurement

After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Financial assets at fair value through other comprehensive income are at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to income statements.

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the income statement.

iv) Derecognition

A financial asset is derecognised when the all cash flows associated with the financial asset has been realised or such rights have expired.



v) **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following:

- Financial assets that are measured at amortised cost.
 - Financial assets that are debt instruments and are measured as at FVTOCI.
 - Contract assets and trade receivables under Ind-AS 11, Construction Contracts and Ind AS-18, Revenue.
- The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind- AS 18.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

i) **Financial Instruments (Liabilities)**

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The Company's financial liabilities include loans & borrowings, trade and other payables.

i) **Classification, initial recognition and measurement**

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

ii) **Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

iii) **Derecognition**

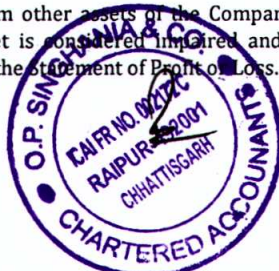
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

iv) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

j) **Impairment of financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When 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. The resulting impairment loss is recognised in the Statement of Profit or Loss.



In assessing value in use, the estimated future cash flows are discounted to their present value using a 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

In case of expenditure on survey & investigation, it is decided to abandon such a project under survey & investigation, expenditure incurred thereon is charged to Statement of Profit and Loss in the year in which it is decided to abandon the project.

k) Other Income

Other income is comprised primarily of interest income and dividend income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

l) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts. However for Balance Sheet presentation, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

m) Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.



GODAWARI ENERGY LIMITED
Notes to financial statements for the year ended 31st March, 2018

3 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Leasehold Land	Computer	Office Equipment	Furniture & Fixtures	Vehicles	Total
Carrying Value							
At 1 April 2016	129,818,267	17,584,144	11,134	83,089	303,907	161,186	147,961,727
Additions	-	-	-	-	-	-	-
Disposals	477,825	-	-	-	-	-	477,825
At 31 March, 2017	129,340,442	17,584,144	11,134	83,089	303,907	161,186	147,483,902
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31st March, 2018	129,340,442	17,584,144	11,134	83,089	303,907	161,186	147,483,902
Carrying Value of Depreciation							
At 1 April 2016	-	-	-	28,808	116,812	28,236	173,856
Charge for the year	-	-	-	9,198	116,812	28,236	154,246
Disposals	-	-	-	-	-	-	-
At 31 March, 2017	-	-	-	38,006	233,624	56,472	328,102
Charge for the year	-	-	-	3,420	28,236	18,241	49,897
Disposals	-	-	-	-	-	-	-
At 31st March, 2018	-	-	-	41,426	261,860	74,713	377,999
Carrying Value							
At 31st March, 2017	129,340,442	17,584,144	11,134	45,083	70,283	104,714	147,155,800
At 31st March, 2018	129,340,442	17,584,144	11,134	41,663	42,047	86,473	147,105,903



GODAWARI ENERGY LIMITED
Notes to financial statements for the year ended 31st March, 2018

Note 4	As at 31 March 2018	As at 31 March 2017
OTHER NON-CURRENT ASSETS	₹	₹
Security Deposits Unsecured, considered good Unamortized expenses	1,319,222 -	1,319,222 183,120
	1,319,222	1,502,342

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 5	As at 31 March 2018	As at 31 March 2017
CASH & BANK BALANCES	₹	₹
(a) Balances with banks In current accounts	162,736	29,635
(b) Cash in hand	10,112	5,732
(c) Stamp in hand	123,110	123,110
Total	295,958	158,477

Note 6	As at 31 March 2018	As at 31 March 2017
OTHER CURRENT ASSETS	₹	₹
Advances other than capital advances Unsecured, considered good Other Advances (i) Employee Advance (ii) Advances for expenses	74,947 3,350,047	318,511 3,350,047
Total	3,424,994	3,668,558

Note 7	As at 31st March 2018		As at 31st March 2017	
	No.	₹	No.	₹
EQUITY SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
Issued, Subscribed and fully paid up				
Equity Shares of ₹ 10/- each	23,000,000	230,000,000	23,000,000	230,000,000
	23,000,000	230,000,000	23,000,000	230,000,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31st March 2018		As at 31st March 2017	
	No.	₹	No.	₹
At the beginning of the period	23,000,000	230,000,000	23,000,000	230,000,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	23,000,000	230,000,000	23,000,000	230,000,000

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.

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

Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	As at 31st March 2018	As at 31st March 2017
	₹	₹
Equity shares of ₹ 10/- each fully paid		
11800000 nos. of shares held by Godawari Power & Ispat Ltd.	118,000,000	118,000,000



GODAWARI ENERGY LIMITED
Notes to financial statements for the year ended 31st March, 2018
Details of shareholders holding more than 5% shares in the company

	As at 31st March 2018		As at 31st March 2017	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each fully paid				
Godawari Power & Ispat Limited	11,800,000	51.30	11,800,000	51.30
B.L.Agrawal (HUF)	2,280,000	9.91	2,280,000	9.91
H.P. Agrawal (HUF)	2,400,000	10.43	2,400,000	10.43
N.P. Agrawal (HUF)	2,840,000	12.35	2,840,000	12.35
R.S. Agrawal (HUF)	1,400,000	6.09	1,400,000	6.09
Dinesh Agrawal	1,400,000	6.09	1,400,000	6.09
	22,120,000	96.17	22,120,000	96.17

Note 8	As at 31st March 2018	As at 31st March 2017
BORROWINGS	₹	₹
Other loans and advances		
Loan from Holding Company (Unsecured)	685,827,854	626,127,493
	685,827,854	626,127,493
Total	685,827,854	626,127,493

Note 9	As at 31st March 2018	As at 31st March 2017
OTHER CURRENT LIABILITIES	₹	₹
(a) Audit fees payable	8,640	26,549
(b) Expenses & other payable	225,704	270,486
(c) Salary payable	67,131	47,586
(d) TDS payables	5,710,269	7,046,585
Total	6,011,744	7,391,206

Note 10	2017-18	2016-17
OTHER INCOME	₹	₹
Interest Income		
From Others	10,329	19,845
Profit on sale of Agriculture Land	-	322,175
Total	10,329	342,020

Note 11	2017-18	2016-17
EMPLOYEE BENEFITS EXPENSE	₹	₹
Salaries and other benefits	1,192,955	1,210,148
Total	1,192,955	1,210,148

Note 12	2017-18	2016-17
OTHER EXPENSES	₹	₹
Miscellaneous Expenses		
Communication Expenses	8,694	17,047
Legal & Professional Expenses	229,096	76,385
Administrative and Other Expenses	10,893	1,200
Unamortized expenses written off	183,120	-
Payment to Auditors (refer below)	9,440	9,200
Total	441,243	103,832

	2017-18	2016-17
PAYMENTS TO AUDITOR	₹	₹
As auditor:		
Audit fee	9,440	9,200
Total	9,440	9,200



GODAWARI ENERGY LIMITED**Notes to financial statements for the year ended 31st March, 2018**

Note 13 EARNINGS PER SHARE (EPS)	2017-18 ₹	2016-17 ₹
Net Profit/(loss) after tax as per Statement of Profit & Loss attributable to Equity Shareholders	(1,673,766)	(971,960)
Net Profit after tax (after prior period deferred tax) as per Statement of Profit & Loss attributable to Equity Shareholders	(1,673,766)	(971,960)
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	23,000,000	23,000,000
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	23,000,000	23,000,000
Basic (₹)	(0.07)	(0.04)
Diluted (₹)	(0.07)	(0.04)

Note 14**RELATED PARTY DISCLOSURES****a) Names of Related Parties and description of relationship**

Description of Relationship	Names of Related Parties
Holding Company	Godawari Power And Ispat Limited
Key Managerial Personnel	Vinod Pillai Sanjay Bothra, CFO Minal Gupta (Upto 31.08.2017) Sonal Bhootra (with effect from 02.11.2017)

b) Material transactions with Related Parties

	2017-18	2016-17
Interest on unsecured loan	56,992,529	70,211,826
Loans/ Advances accepted	8,407,085	5,253,594
Loans/ Advances repaid	-	800,000



GODAWARI ENERGY LIMITED**Notes to financial statements for the year ended 31st March, 2018****Outstanding**

Pavable/Receivable	685,827,854	626,127,493
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c) Disclosure in respect of transactions and outstandings which are more than 10% of total transactions and outstandings of the same type with related parties during the year

Transactions during the year	2017-18	2016-17
Interest on unsecured loan Godawari Power And Ispat Limited	56,992,529	70,211,826
Repayment of unsecured borrowing Godawari Power And Ispat Limited	-	800,000
Receipt of unsecured borrowing Godawari Power And Ispat Limited	8,407,085	5,253,594

Note 15

The company has not recognized deferred tax assets on account of unabsorbed business losses as there was no future certainty about the business profits.

Note 16

In the opinion of the Board, the value of realization of long term and short-term loans & advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated.

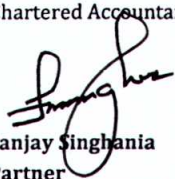
Note 17

Previous year's figures have been regrouped/rearranged wherever necessary.

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS


As Per Our Report Of Even Date Attached

For O.P. Singhania & Co.
(ICAI Firm Regn.No.002172C)
Chartered Accountants,


Sanjay Singhania
Partner
Membership No.076961



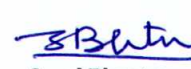
Place : Raipur
Dated : 19.04.2018


Vinod Pillai
Whole-Time Director


Sanjay Bothra
Chief Financial Officer

For and on behalf of the Board of Directors of
Godawari Energy Limited


Sudeep Chakraborty
Director


Sonal Bhootra
Company Secretary