

General Manager,  
Department of Corporate Services,  
BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

July 16, 2025

**Security Code : 532957**  
**Security ID : GOKAKTEX**

**Subject: Annual Report of the Company for the financial year 2024-25.**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith 19<sup>th</sup> Annual Report of the Company for the Financial Year 2024-25.

The Annual Report for the Financial Year 2024-25 is also available on the website of the Company, [www.gokaktextiles.com](http://www.gokaktextiles.com)

Yours faithfully,  
For Gokak Textiles Limited

Rakesh M. Nanwani  
Company Secretary & Compliance Officer

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## **GOKAK TEXTILES LIMITED**

**Registered Office:** #1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross, Ideal Homes, Near Jayanna Circle,  
Rajarajeshwari Nagar, Bengaluru - 560 098  
**Telephone No.:** +91 80 29744077 / 29744078 **Website:** [www.gokaktextiles.com](http://www.gokaktextiles.com)  
**GSTIN:** 29AACCG8244P1ZX **CIN:** L17116KA2006PLC038839



# GOKAK TEXTILES LIMITED



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**Nineteenth Annual General Meeting of Gokak Textiles Limited will be held on Thursday, August 07, 2025 at 02.30 P.M.  
through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')**

**The Annual Report can be accessed at [www.gokaktextiles.com](http://www.gokaktextiles.com)**

|                                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Directors                              | : | <p>Vinod J. Bhandawat - Non-Executive Director &amp; Chairman</p> <p>Nikhil J. Bhatia - Independent Director</p> <p>Gautam V. Kuntakar - Managing Director &amp; Chief Executive Officer</p> <p>Sunita Khanna - Non-Executive Non-Independent Director</p> <p>Ganesan Rajamani - Independent Director (w.e.f January 24, 2025)</p> <p>Sanjiv Tipnis - Independent Director (w.e.f May 08, 2025)</p> <p>D. G. Prasad - Independent Director (upto December 28, 2024)</p> <p>Pradip N. Kapadia - Independent Director (upto December 28, 2024)</p> |
| Chief Financial Officer                | : | Vipan Kumar Sharma                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Company Secretary & Compliance Officer | : | Rakesh M. Nanwani                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Statutory Auditors                     | : | Batliboi & Purohit, Chartered Accountants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Bankers                                | : | <p>Standard Chartered Bank</p> <p>India Infradebt Limited</p> <p>Yes Bank Limited</p> <p>State Bank of India</p> <p>Union Bank of India</p> <p>Indian Renewable Energy Development Agency Limited</p>                                                                                                                                                                                                                                                                                                                                            |
| Registrars And Share Transfer Agents   | : | <p>MUFG Intime India Private Limited</p> <p>(Formerly known as Link Intime India Private Limited) Unit: Gokak Textiles Ltd.</p> <p>C 101, Embassy 247, L.B.S Marg,</p> <p>Vikhroli (West), Mumbai - 400083. Tel: +91 810 811 8484</p> <p>Email: csg-unit@in.mpms.mufig.com</p> <p>Website: https://in.mpms.mufig.com/</p>                                                                                                                                                                                                                        |
| Branch                                 | : | <p>MUFG Intime India Private Limited</p> <p>C/o. Mr. D. Nagendra Rao,</p> <p>"Vaghdevi" 543/A, 7<sup>th</sup> Main</p> <p>3<sup>rd</sup> Cross, Hanumanthnagar</p> <p>Bengaluru - 560019</p> <p>Tel : +91-80-26509004</p>                                                                                                                                                                                                                                                                                                                        |
| Mills                                  | : | Gokak Falls - 591308 (District: Belagavi, Karnataka)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Knitwear Unit                          | : | Bagalkot Road, Village Marihal – 591 167 Dist: Belagavi, Karnataka                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Solar Unit                             | : | Gokak Falls - 591308 (District: Belagavi, Karnataka)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Registered Office                      | : | <p>#1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross, Ideal Homes,</p> <p>Near Jayanna Circle, Rajarajeshwari Nagar,</p> <p>Bengaluru – 560 098 Email: secretarial@gokaktextiles.com</p> <p>Website: www.gokaktextiles.com</p>                                                                                                                                                                                                                                                                                                                     |
| CIN                                    | : | L17116KA2006PLC038839                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| GSTIN                                  | : | 29AACCG8244P1ZX                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## NOTICE

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the Members of Gokak Textiles Limited will be held on Thursday, August 07, 2025 at 02.30 P.M. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon:

To receive, consider and adopt:

- a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025 together with the Report of the Board of Directors and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2025 together with the Report of the Auditors thereon.

#### 2. Appointment of a Director

To appoint a Director in place of Mrs. Sunita Khanna (DIN: 01713143), who retires by rotation at this Annual General Meeting and being eligible offers herself, for re-appointment.

### SPECIAL BUSINESS

#### 3. Ratification of remuneration to Cost Auditor of the Company for the Financial Year 2025-26.

To consider and, if thought fit, to pass, with or without modification(s) the following resolution, as an **Ordinary Resolution**:

**"Resolved that** pursuant to the provisions of Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification(s) or re-enactment thereof), read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of ₹ 1.65 lakhs (Rupees One Sixty Five Thousand Only) plus applicable taxes and out-of-pocket expenses payable to Mr. Mukesh Dekhtawala, Cost Accountant (Firm Registration No. 002315), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost accounts of the Company for the financial year ending March 31, 2026, be and is hereby confirmed, approved and ratified;

**Resolved further that** the Board of Directors of the Company (including any duly constituted Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 4. Appointment of Mr. Sanjiv Tipnis (DIN: 05337340) as an Independent Director

To consider and, if thought fit, to pass, with or without modification(s) the following resolution, as a **Special Resolution**:

**"Resolved that** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the said Act and the Company (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Sanjiv Tipnis (DIN 05337340), who was appointed as an Additional Director (Non- Executive- Independent) of the Company by the Board of Directors, on recommendation of the Nomination and Remuneration Committee, pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, with effect from May 08, 2025 and who meets the criteria for independence as provided in section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of a director be and is hereby appointed as an Independent Director of the Company to hold office for five years from May 08, 2025 and whose office shall not be liable to retire by rotation;

**Resolved further** that any one Director or the Company Secretary be and is hereby authorized to do all acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## 5. Appointment of Secretarial Auditors

To consider and, if thought fit, to pass, with or without modification(s) the following resolution, as an Ordinary Resolution:

**“Resolved that** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) and re-enactment thereof for the time being in force) and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and on recommendation of Audit Committee and Board of Directors of the Company, M/s KDSH & Associates LLP (LLPIN: AAK-4697) Practicing Company Secretaries (Firm Registration No. L2017KR003000) be and are hereby appointed as Secretarial Auditors of the Company for a term of five (5) consecutive financial years commencing from F.Y 2025-2026 to F.Y 2029-2030 i.e from April 01, 2025 to March 31, 2030;

**Resolved further** that the Audit Committee/ Board of Directors of the Company, be and are hereby authorised to revise/ alter/ modify/ amend the terms and conditions and/ or remuneration, from time to time, as may be mutually agreed with the Secretarial Auditors, during the tenure of their appointment.”

### Registered Office:

#1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross, Ideal Homes,  
Near Jayanna Circle, Rajarajeshwari Nagar,  
Bengaluru 560 098  
Ph:+91 80 2974 4077, +91 80 2974 4078  
Email: secretarial@gokaktextiles.com  
CIN: L17116KA2006PLC038839  
Website: www.gokaktextiles.com

### By Order of the Board of Directors

**Rakesh M. Nanwani**

Company Secretary & Compliance Officer  
Membership No. A45718  
**Bengaluru, May 23, 2025**

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR] and Secretarial Standard on General Meetings ('SS-2') issued by The Institute of Company Secretaries of India in respect of Directors seeking appointment / re-appointment at the Annual General Meeting (AGM) is annexed as Annexure to this Notice.
2. In accordance with the Ministry of Corporate Affairs General Circulars Nos. 20/2020 dated May 5, 2020, No. 09 / 2024 dated September 19, 2024 and SEBI Circular Nos. SEBI/HO/ CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("the Circulars"), the companies are allowed to hold AGM through video conference/other audio visual means ("VC/OAVM") upto September 30, 2025 without the physical presence of members. In compliance with the applicable provisions of the Act, MCA & SEBI circulars, the 19<sup>th</sup> AGM of the Company is convened through Video Conferencing (VC/Other Audio-Visual Means (OAVM) on Thursday, August 07, 2025 at 2.30 P.M. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company, which shall be the deemed venue for the AGM.

In compliance with the aforesaid circulars issued by MCA and SEBI, Notice of the AGM alongwith the Annual Report for the Financial Year 2024 - 2025 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. No physical copies of the Annual Report will be sent to Members, except to those Members who have requested for physical copy of the Annual Report for FY 2024 – 25. Notice and Annual Report for the Financial Year 2024-2025 are also available on the website of the Company [www.gokaktextiles.com](http://www.gokaktextiles.com)

In compliance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter specifying the exact web link to the complete annual report is being sent to shareholders who have not registered their email address.

Members who are desirous to have a physical copy of the Annual Report should send a request to the Company's e-mail id viz., [secretarial@gokaktextiles.com](mailto:secretarial@gokaktextiles.com) clearly mentioning their Folio number / DP and Client ID.

**Members holding shares in physical mode and whose email IDs are not registered, are requested to register their email ID with MUFG Intime India Private Limited (RTA) at [csg-unit@in.mpms.mufig.com](mailto:csg-unit@in.mpms.mufig.com) by sending a duly signed Form ISR-1 mentioning their Name as registered with the RTA, Address, email ID, Mobile Number, self-attested copy of PAN, DPID/Client ID or Folio Number and number of shares held. Shareholders holding shares in dematerialized mode are requested to register/ update their email address with the relevant Depository Participants.**

Members are advised to: (a) submit their PAN and bank account details to their respective Depository Participants (DPs) with whom they are maintaining their demat accounts and complete KYC process to keep demat account active. (b) contact their respective DPs for registering the nomination, in respect of their shareholding in the Company. (c) register / update their mobile number and e-mail address with their respective DPs for receiving communications electronically. (d) inform any change in address and bank mandate to DP.

3. Since the AGM is being held pursuant to the Circulars issued by the Ministry of Corporate Affairs through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly the facility to appoint a proxy by a Member will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM and participate there at and cast their vote through remote e-voting.
4. Institutional / Corporate Members are requested to send to the Company a scanned copy (PDF/JPEG format) of certified Authorisation /Board Resolution with attested specimen signature of the duly authorized signatory(ies) who are authorised to participate in the AGM through VC/OAVM on their behalf and to vote through remote e-voting to the Scrutinizer by email to [kiran@kdsh.co.in](mailto:kiran@kdsh.co.in) with copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com) and [secretarial@gokaktextiles.com](mailto:secretarial@gokaktextiles.com)
5. Members are requested to immediately notify the REGISTRARS AND SHARE TRANSFER AGENTS or the DEPOSITORY PARTICIPANTS (in case of shares which have been dematerialised) of any change in their address.
6. Members are requested to update their email address with Depository Participant/Company to enable us to send Annual Report and other communications electronically.

7. As per Regulation 40 of SEBI LODR, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; consolidation of securities certificate/folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website, [www.forbes.co.in](http://www.forbes.co.in) and on the website of the Company's RTA at <https://www.linkintime.co.in/>. Kindly note that any service request can be processed only after the Folio is KYC compliant. SEBI vide its notification dated January 24, 2022, has mandated that all requests for transmission and transposition shall be processed only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/CIR/2023/37 dated March 16, 2023 issued in supersession of earlier circulars nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 and SEBI/HO/MIRSD/ MIRSD RTAMB/P/ CIR/2021/687 dated November 3, 2021 and December 14, 2021 respectively has mandated all the listed companies to record the PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical shares/securities. The Company has vide its circulars dated February 10, 2022, May 24, 2023, June 05, 2024 and June 05, 2025 requested all the shareholders holding shares in physical form to complete updation of PAN, KYC details and Nomination.

Members can contact the Company or Company's Registrar and Transfer Agents, MUFG Intime India Private Limited for assistance in this regard. The Forms for updation of PAN, KYC, bank details and Nomination are available on the Company's website, [www.gokaktextiles.com](http://www.gokaktextiles.com)

8. Members desiring any additional information / clarification on the Financial Statements, or any other matter to be placed at the AGM are requested to send such requests at the earliest through email on [secretarial@gokaktextiles.com](mailto:secretarial@gokaktextiles.com) on or before July 31, 2025. The same will be replied by the Company suitably at the AGM. The members should mention their name, demat account number/folio number, email id, mobile number while sending the email.
9. Members desiring inspection of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act during the AGM may send their request in writing to the company [secretarial@gokaktextiles.com](mailto:secretarial@gokaktextiles.com) by July 31, 2025.
10. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 19<sup>th</sup> AGM through VC/OAVM facility and e-Voting during the 19<sup>th</sup> AGM.
13. Members may join the 19<sup>th</sup> AGM through VC/OAVM facility by following the procedure as mentioned below which shall be kept open for the Members 30 minutes before the time scheduled to start the 19<sup>th</sup> AGM and 15 minutes after the scheduled time to start the 19<sup>th</sup> AGM.
14. Members may note that the VC/OAVM facility, provided by NSDL, allows participation of upto 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the 19<sup>th</sup> AGM without any restriction on account of first-come first- served principle.
15. **E-Voting**
  - I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means, through e-Voting Services provided by National Securities Depository Limited (NSDL). Those Members participating in the AGM through VC/OAVM Facility and who have not cast their vote by remote e-voting shall be able to exercise their right to vote through e-voting system during the AGM.



- II. The Members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM facility but shall not be entitled to cast their vote again.
- III. **The remote e-voting period commences on Monday, August 04, 2025 (9:00 am) (IST) and ends on Wednesday, August 06, 2025 (5:00 pm) (IST).** During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 31, 2025 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- IV. The process and manner for remote e-voting are as under:

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





#### Step 1: Access to NSDL e-Voting system

- A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

| Type of shareholders                                                | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> <li>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> |

| Type of shareholders                                               | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                    | <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">  <p>App Store</p>  <p>Google Play</p> </div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Type of shareholders                                                                                   | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                        | 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.                                                                           |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type                                                         | Helpdesk details                                                                                                                                                                                                           |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000                                            |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911 |

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:                                                                                                                                           |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.    |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.                                                     |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***. |

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose **email ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system. How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company which is **134390** for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kiran@kdsh.co.in with a copy marked to evoting@nsdl.com . Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to Mr. Falguni Chakraborty at evoting@nsdl.com

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@gokaktextiles.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@gokaktextiles.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join Meeting" menu** against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@gokaktextiles.com](mailto:secretarial@gokaktextiles.com) . The same will be replied by the company suitably.
6. Members who would like to express their views during the AGM may pre-register themselves as a speaker by sending their request from their registered email address mentioning their name, demat account number/folio number, PAN, mobile number at [secretarial@gokaktextiles.com](mailto:secretarial@gokaktextiles.com) between July 23, 2025 (9.00 A.M. IST) to August 03, 2025 (5.00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views during the AGM. The Company reserves the right to restrict the number of speakers depending on available of time for the AGM.

**A. Other Instructions:**

- I. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 31, 2025 as per the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e., NSDL and CDSL. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. July 31, 2025, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) or [csg-unit@in.mpms.mufg.com](mailto:csg-unit@in.mpms.mufg.com)

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or casting vote through e-voting system during the meeting.

- IV. Mr. Kiran B. Desai, Designated Partner, KDSH & Associates LLP, Company Secretaries, has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.
- V. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the 19<sup>th</sup> AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be disabled by NSDL for voting after 15 minutes of conclusion of meeting.
- VI. The Scrutinizer shall after the conclusion of voting at the AGM, will first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- VII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the date of AGM.

## ANNEXURE TO NOTICE

Statement Pursuant to Section 102 (1) of the Companies Act, 2013

**The following explanatory statement sets out material facts relating to the special business set out in the accompanying Notice of the Annual General Meeting (AGM):**

### Item No.3

This explanatory statement is provided though not required as per section 102 of the Companies Act, 2013.

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of Mr. Mukesh Dekhtawala, Cost Accountant, (Firm Registration No. 002315) as cost auditor of the Company at a remuneration of Rs. 1.65 lakhs plus out of pocket expenses and taxes as applicable for the financial year ending March 31, 2026.

In accordance with the provisions of Section 148 of the Companies Act, 2013 (Act), read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2026.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the notice.

The Board recommends the passing of Ordinary Resolution at Item No. 3 of the accompanying Notice in the interests of the Company.

### Item No.4

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Sanjiv Tipnis (DIN: 05337340) as an Additional Director (Non-Executive-Independent) effective from May 08, 2025, through a circular resolution approved on May 08, 2025.

As per the provisions of Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors should be taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the Board of Directors recommends the appointment of Mr. Sanjiv Tipnis as an Independent Director for the approval of the Members of the Company as set out in Item No. 4 of the notice for a term of 5 (five) consecutive years, with effect from May 08, 2025, and shall not be liable to retire by rotation.

Mr. Sanjiv Tipnis is a B. Tech. in Chemical Engineering from IIT Kharagpur and has an Executive MBA from IIM Ahmedabad. He has around 43 years of wide-ranging experience in diverse industries from synthetic textiles including industrial textiles, glass fibre, wind energy, epoxy moulding, steel tower making etc. His fields of expertise are in Operations, Strategic Planning, Project Management, Plant & Quality Management, HSE Management, Customer & Supplier Relationship Management as well as Team Building & Leadership. He has recently completed a 5-year contract with Madura Industrial Textiles as President & CEO and before that he had retired from SRF Limited as Senior Vice President Operations.

Mr. Sanjiv Tipnis, pursuant to Section 152 of the Companies Act, 2013, has given his consent to act as a Director of the Company. The Company has also received his declaration that he meets the criteria of independence prescribed under Section 149(6) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Sanjiv Tipnis fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and the SEBI LODR for his appointment as an Independent Director of the Company and he is independent of the management of the Company.

Except for Mr. Sanjiv Tipnis and his relatives, none of the Directors or Key Managerial Personnel of the Company, or their relatives, are concerned or interested financially or otherwise in the resolution set out at item No. 4 of the notice.

The Board recommends the passing of Special Resolution at Item No. 4 of the accompanying Notice in the interests of the Company.



**Item No.5**

Pursuant to provisions of Section 204 of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to appoint Secretarial Auditor for a consecutive term of 5 years. Based on the recommendation of the Audit Committee, the Board of Directors, at its meeting held on May 23, 2025, approved the appointment of M/s KDSH & Associates LLP (LLPIN: AAK-4697) Practicing Company Secretaries (Firm Registration No. L2017KR003000), to conduct the Secretarial Audit of the Company for a term of 5 (Five) consecutive financial years, commencing from FY 2025 - 2026 to FY 2029 - 2030 subject to the approval of the members. They shall be paid remuneration of ₹ 1 Lakh, plus applicable taxes and out-of-pocket expenses incurred in connection with the secretarial audit for FY 2025 - 2026. The proposed fees are determined based on the scope of work, team size, industry experience, and the time and expertise required to conduct the audit effectively. Remuneration for subsequent years will be determined by the Audit Committee and/or the Board of Director following mutual discussions with the Secretarial Auditors.

The Company has also received their eligibility and consent to act as Secretarial Auditors. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 5 of the notice.

The Board recommends the passing of Ordinary Resolution at Item No. 5 of the accompanying Notice in the interests of the Company.

**Details of Secretarial Auditor seeking appointment at the forthcoming Annual General Meeting**

[Pursuant to Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

| Particular Details                                                                                                                     | Particular Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Proposed Fees Payable                                                                                                                  | ₹ 1.00 Lakh (Rupees One Lakh only) per annum plus applicable taxes and other out of pocket expenses in connection with the Secretarial audit for Financial Year ending March 31, 2026. Remuneration for subsequent years will be determined by the Audit Committee and/or the Board following mutual discussions with the Secretarial Auditors.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Terms of Appointment                                                                                                                   | The Board at its meeting held on May 23, 2025, approved the appointment of M/s KDSH & Associates LLP, as Secretarial Auditors, for a term of 5 (five) consecutive years commencing from FY 2025 - 2026 to FY 2029 - 2030, subject to approval of the shareholders at the Annual General Meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Any material change in the fee payable to such Auditor from that paid to the outgoing auditor along with the rationale for such change | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Basis of recommendation for appointment including the details in relation to and credentials of the auditor proposed to be appointed   | The Board and the Audit Committee evaluated various factors, including the firm's capability to handle a diverse and complex business environment, its existing experience in the Company's business segments, its industry standing, the clientele it serves, and its technical expertise. M/s. KDSH & Associates LLP was found to be well-equipped to manage the scale, diversity, and complexity associated with the Secretarial Audit of the Company. M/s. KDSH & Associates LLP is a peer reviewed and a well-established firm of Practicing Company Secretaries, registered with the Institute of Company Secretaries of India. The firm is led by experienced partners, all of whom are distinguished professionals in the field of corporate governance and compliance. M/s. KDSH & Associates LLP, specializes in providing services in Company Law, Securities Law, IPO, Secretarial Audit, Due diligence, other areas. |

### Details of Directors whose appointment / re-appointment is proposed at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of Secretarial Standards – 2 on General Meetings]

| Name of Director                                                                                                      | Mr. Sanjiv Tipnis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mrs. Sunita Khanna                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Director Identification Number (DIN)                                                                                  | 05337340                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 01713143                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Age                                                                                                                   | 66 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 62 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Date of Birth                                                                                                         | July 26, 1958                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | February 08, 1963                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Date of first Appointment                                                                                             | May 08, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | August 13, 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Qualification                                                                                                         | B. Tech. and Executive MBA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | B.Com, CA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Relationships between directors inter-se                                                                              | Not related to any Director of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Not related to any Director of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Brief resume and expertise in specific functional areas                                                               | <p>Mr. Sanjiv Tipnis is a B. Tech. in Chemical Engineering from IIT Kharagpur and has an Executive MBA from IIM Ahmedabad. He has around 43 years of wide-ranging experience in diverse industries from synthetic textiles including industrial textiles, glass fibre, wind energy, epoxy moulding, steel tower making etc. His fields of expertise are in Operations, Strategic Planning, Project Management, Plant &amp; Quality Management, HSE Management, Customer &amp; Supplier Relationship Management as well as Team Building &amp; Leadership. He has recently completed a 5-year contract with Madura Industrial Textiles as President &amp; CEO and before that he had retired from SRF Limited as Senior Vice President Operations.</p> | <p>Mrs Sunita Khanna is a Bachelor of Commerce and a Fellow Member of the Institute of Chartered Accountants of India. She has around 41 years of comprehensive experience in the fields of Accounts, Finance, Tax, Internal Audit and Compliance Management.</p> <p>She is presently associated with Shapoorji Pallonji Real Estate Pvt Ltd as Executive Vice President – Internal Audit and Risk Management. She joined the Real Estate Division of Shapoorji Pallonji in 2006 as Chief Financial Officer. Prior to this, she worked with the luggage major Blow Plast Ltd (marketing arm of VIP Industries Ltd) for 21 years.</p> <p>She is currently on the Board of several real estate entities of Shapoorji Pallonji Group.</p> |
| Skills and capabilities required for the role and the manner in which the Independent Director meets the requirements | Refer Item No. 1 of the Explanatory Statement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| List of Directorships held in other Companies                                                                         | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Delphi Properties Private Limited</li> <li>Bengal Shapoorji Developers Private Limited</li> <li>Highstreet Developers Private Limited</li> <li>Honcho Properties Private Limited</li> <li>Manjri Developers Private Limited</li> <li>Bengal Shapoorji Housing Development Private Limited</li> <li>Supra Warehousing Private Limited</li> </ul>                                                                                                                                                                                                                                                                                                                                                 |

| Name of Director                                                                                                                                               | Mr. Sanjiv Tipnis                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                   | Mrs. Sunita Khanna                                                                                                                                                                                                |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Chairmanship/ Membership of the Committees of Board (includes only Audit Committee and Stakeholders Relationship Committee) of Indian Public/listed Companies* | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                   | Nil                                                                                                                                                                                                               |          |
| Name of listed entities from which the person has resigned in the past 3 (three) years*                                                                        | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                   | Nil                                                                                                                                                                                                               |          |
| Terms and conditions of appointment                                                                                                                            | Appointed as an Independent Director not liable to retire by rotation for 5 (five) consecutive years with effect from May 08, 2025.                                                                                                                                                                                                                                                                                                                                                                              |                                   | Non-executive Director, liable to retire by rotation.                                                                                                                                                             |          |
| No. of shares held in the Company*                                                                                                                             | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                   | Nil                                                                                                                                                                                                               |          |
| Number of Equity Shares held in the Company for any other person on a beneficial basis*                                                                        | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                   | Nil                                                                                                                                                                                                               |          |
| Justification for choosing the appointee for appointment as Independent Director                                                                               | His in-depth practical experience and extensive knowledge of the textile, fibre and power/energy sector as well as in the areas of operations, Strategic Planning, Project Management, Plant & Quality Management, HSE Management, Customer & Supplier Relationship Management as well as Team Building & Leadership, etc. as well as his educational background, enable him to provide the Board with valuable insights and guidance across extensive issues in business and governance matters of the Company. |                                   | NA                                                                                                                                                                                                                |          |
| Details of Remuneration                                                                                                                                        | Except for payment of sitting fees for attending meetings of the Board and Committee and reimbursement of expenses for participation in the Board and Committee meetings, no other remuneration is paid/ payable.                                                                                                                                                                                                                                                                                                |                                   | Except for payment of sitting fees for attending meetings of the Board and Committee and reimbursement of expenses for participation in the Board and Committee meetings, no other remuneration is paid/ payable. |          |
| Number of Board Meetings attended in the Financial Year 2024-25                                                                                                | No. of Meetings held                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Attended                          | No. of Meetings held                                                                                                                                                                                              | Attended |
|                                                                                                                                                                | 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | NA (Appointed w.e.f May 08, 2025) | 5                                                                                                                                                                                                                 | 5        |

\*As per disclosures received from the Director.

#### Registered Office:

#1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross, Ideal Homes,  
Near Jayanna Circle, Rajarajeshwari Nagar,  
Bengaluru 560 098  
Ph:+91 80 2974 4077, +91 80 2974 4078  
Email: secretarial@gokaktextiles.com  
CIN: L17116KA2006PLC038839  
Website: www.gokaktextiles.com

#### By Order of the Board of Directors

**Rakesh M. Nanwani**

Company Secretary & Compliance Officer  
Membership No. A45718  
**Bengaluru, May 23, 2025**

## Report of Board and Management Discussion & Analysis

Dear Members,

The Board of Directors (hereinafter referred to as “the Board”) hereby submits the report of the business and operations of the Company along with the Audited Financial Statements of the Company for the Financial Year (FY) ended March 31, 2025. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

### Financial Results and Highlights of Performance

The Company's performance, as per Indian Accounting Standards (IND AS), during the Financial Year under review is summarized as follows:

(₹ in Lakhs)

| Particulars                                                                   | Standalone |          | Consolidated |          |
|-------------------------------------------------------------------------------|------------|----------|--------------|----------|
|                                                                               | FY 24-25   | FY 23-24 | FY 24-25     | FY 23-24 |
| Total Revenue From Operations and Other Income                                | 9781.90    | 13462.33 | 10337.90     | 13401.41 |
| Exceptional Income/ (Expenses) (refinancing cost & restoration expenses)      | -1213.36   | 938.95   | -1213.36     | 938.95   |
| Earnings before Interest, Depreciation and Taxation (after exceptional items) | 273.11     | 2713.44  | 755.98       | 2690.23  |
| Interest                                                                      | 2956.17    | 2501.54  | 3012.18      | 2557.56  |
| Profit / (Loss) after Interest and before Depreciation items and Tax          | -2683.06   | 211.90   | -2256.20     | 132.68   |
| Depreciation                                                                  | 1897.06    | 1968.60  | 2016.80      | 2076.08  |
| Profit Before Tax (PBT)                                                       | -4580.12   | -1756.70 | -4273.00     | -1943.40 |
| Less: Deferred Tax                                                            | 0.00       | 0.00     | 0.00         | 0.00     |
| Profit after tax (PAT) Owners of the Company                                  | -4580.12   | -1756.70 | -4443.61     | -1525.75 |
| Profit after tax (PAT) Non-Controlling Interest                               | -          | -        | 170.60       | -417.65  |
| Other Comprehensive Income                                                    | 55.59      | 75.94    | 55.00        | 75.81    |
| <b>Total comprehensive income for the year attributable to:</b>               |            |          |              |          |
| -Owners of the Company                                                        | -4524.53   | -1680.76 | -4388.32     | -1449.90 |
| -Non Controlling Interest                                                     | -          | -        | 170.32       | -417.71  |

Note : The above figures are extracted from Standalone and Consolidated Financial Statements as per Indian Accounting Standard (“IND AS”) and are prepared in accordance with the principles stated therein as prescribed by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 (“Act”) read with relevant rules issued therein.

### Management Discussion & Analysis of Financial Conditions, Results of Operations and State of Company Affairs

#### General Performance and Outlook

The financial year 2024-25 India's textile and apparel exports rose by 6.32 per cent to \$36.61 billion in FY25, driven by a 10.03 per cent growth in apparel exports. Textile exports increased 3.61 per cent. March 2025 saw a slight dip in total T&A exports.

Raw cotton imports more than doubled, while man-made and cotton-based product exports saw modest growth. Imports of raw cotton and waste surged by 103.67 per cent to \$1,219 million during April–March 2025, compared to \$599 million in the same period of the previous fiscal. Imports of textile yarn, fabrics, and made-ups rose by 8.69 per cent, rising from \$2,278 million to \$2,476 million.

## Outlook 2025-26

Trade tension and high levels of policy uncertainty are expected to impact global economic activity. The global growth is projected to drop to 2.8% in 2025 and 3% in 2026 from 3.3% for both the years.

The real GDP of Indian economy is predicted to grow at 6.5 percent in 2024/25 and 2025/26, supported by robust growth in private consumption on the back of sustained macroeconomic and financial stability

The textile and fashion industry plays a crucial role in India's economy, contributing over 10% of total exports and employing more than 45 million people. With the U.S. recently announcing a new set of tariffs, their potential to impact India's textile export is significant. However, with India's market diversification to Europe, the Middle East, and Latin America dependency on US market would be greatly reduced. The U.K. and India are finalizing a Free Trade Agreement (FTA), potentially reducing tariffs on apparel and textile exports.

India's economy looks on an upward trend. Projections indicate that India will be the world's third largest economy by 2027, surpassing US\$5 trillion in GDP

The India Home Textile Market size is estimated at USD 9.60 billion in 2024, and is expected to reach USD 15.36 billion by 2029, growing at a CAGR of 9.84% during the forecast period (2024-2029)

Technical Textiles is another sector that is receiving a huge push from Govt. of India. National Technical Textile Mission (NTTM) that was launched in 2020 with the objective of increasing penetration level of technical textiles for 5-10% as compared to 30-70% in the developed market.

India's technical textiles market, which was valued at US \$ 29 billion in FY 2024, is expected to grow significantly because of tax cuts for textile machinery and a rise in Basic Customs Duty (BCD) on knitted fabrics in Budget 2025. Approximately 15 per cent of India's total textile and clothing market is made up of technological textiles, which rank seventh in the world With a "India 2047- Vision and strategic roadmap for technical textiles" the Govt. of India has expressed its ambitious plans and programmes to develop India as one of the leading hubs of Technical Textiles globally and set up a robust manufacturing base in India.

## Mills Division-

The cotton prices began the financial year at about 61K/Candy dropping to ~57K/Candy in early august 2025. The prices went up high again in early September 2025 to ~60K/Candy before dropping to 55K/Cany and 53K/Candy in third week of October and December 2025 respectively before closing at 53.5K/Candy by the financial year end.

The uncertainty in cotton prices had an impact on the spinning industry as purchase orders were withheld by the end users. Uncertainty in cotton prices coupled with various macro economics factors has an effect on the Textile value chain. Many spinning industry were forced to operate at partial utilisation or closed.

The company also had to operate under reduced utilisation for the year thus undertaking jobs at higher cost. The uncertainty in the market was to an extent that some of the job-work at our facility was withdrawn.

However, the company is developing new products in woven and knit garments of fibres other than cotton. The company is also putting effort for development of technical textile products starting with development of yarn. Progress in such activities is encouraging. Vertical integration into technical textiles shall be the next development plan. New and unique products are being considered to be launched under brand CAMPBELL which is registered.

## Knitwear Unit-

Garment unit within the premises at Gokak Falls is manufacturing various products of Bamboo and cotton fibres i.e. towels, shawls, blankets, bedsheet etc. Both Knit and woven products are sold over e-commerce platform of the company i.e. <https://gokaktrends.com/>.

Advertisements over social websites to promote new products are also undertaken. Conventional sale of products to increase the presence of the brand is also under progress.

## Solar Unit-

The Solar unit has an installed capacity of 40MW within the premises. The unit has generated about 68.82MUs for this fiscal with a capacity utilisation factor (CUF) of 20.4%. Power generated is sold to customers within the state of Karnataka. The unit has power purchase agreements with clients drawing power under various Discoms across the state.

The unit suffered multiple fire incidents starting Jan-25 affecting the plant generation. Repair works on the damages to panels are completed within span of less than a month. However, a material breakdown i.e transformer and inverter in Mar-25 has reduced the total installed capacity to 35MW. Transformer repair works are in progress and scheduled to arrive by first week of May-25. The spare inverter shall be utilised for restoring the capacity back to 40MW.

The unit is refinanced by IREDA with a sanction of loan up to ₹ 220 Crores.

During the year under review the Solar Division as recorded gross income of about ₹ 37.47 Crores.

## Details of Subsidiary/Joint Ventures/Associate Subsidiary Company

### Gokak Power & Energy Limited (GPEL)

GPEL is engaged in generation of hydro-electric power and other renewable and non-renewable sources of energy. Part of power generated is utilised for captive consumption by Gokak Textiles Limited, the holding company.

During the year under review, the Company has recorded gross income of ₹ 1,178.09 lakhs (previous year ₹ 686.85 lakhs) and net profit / (loss) for the year of ₹ 70.27 lakhs (previous year ₹ (436.18) lakhs).

During the year under review GPEL generated 30.50 Million Units of electricity (previous year 15.25 Million Units were generated).

Details of GPEL is set out in the statement in form **AOC-I**, pursuant to section 129 of the Companies Act, 2013 and is attached herewith as **Annexure I** to this Report.

### Financial Performance

The Consolidated Financial Statements of the Company and its subsidiary are prepared in accordance with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act, 2013. The Notes to Consolidated Financial Statements are disclosed and forms part of the Consolidated Financial Statements.

### Segment wise performance (standalone)

(₹ in Lakhs)

| Particulars                        | Segment Revenue |           |
|------------------------------------|-----------------|-----------|
|                                    | FY 24-25        | FY 23-24  |
| Textiles                           | 5,971.54        | 9,625.23  |
| Power                              | 3834.94         | 4,163.11  |
| Others                             | 0.00            | 0.00      |
| Total                              | 9,806.48        | 13,788.34 |
| Less: inter segment revenue        | -24.58          | -326.01   |
| Total Income from operations (net) | 9,781.90        | 13,462.33 |

| Particulars                                                                             | Segment Results |           |
|-----------------------------------------------------------------------------------------|-----------------|-----------|
|                                                                                         | FY 24-25        | FY 23-24  |
| Textiles                                                                                | -2,325.49       | -1,386.86 |
| Power                                                                                   | -2,254.63       | -369.84   |
| Others                                                                                  | 0.00            | 0.00      |
| Total segment results (PBT)                                                             | -4,580.12       | -1,756.70 |
| Add: Share of profit of joint ventures and associates accounted for using equity method | 0.00            | 0.00      |
| Add: Unallocated Exceptional items-Income                                               | 0.00            | 0.00      |
| Add: Unallocable income/(expenses)                                                      | 0.00            | 0.00      |
| Profit /(Loss) from continuing activities before tax                                    | -4,580.12       | -1,756.70 |
| Profit / (Loss) from discontinued operations                                            | 0.00            | 0.00      |
| Profit /(Loss) before tax from continuing and discontinued operation                    | -4,580.12       | -1,756.70 |

## Segment wise performance (consolidated)

(₹ in Lakhs)

| Particulars                        | Segment Revenue |           |
|------------------------------------|-----------------|-----------|
|                                    | FY 24-25        | FY 23-24  |
| Textiles                           | 5,971.54        | 9,625.23  |
| Solar                              | 5,013.03        | 4,849.96  |
| Others                             | 0.00            | 0.00      |
| Total                              | 10,984.57       | 14,475.19 |
| Less: inter segment revenue        | -646.67         | -1,073.78 |
| Total Income from operations (net) | 10,337.90       | 13,401.41 |

| Particulars                                                                             | Segment Results |           |
|-----------------------------------------------------------------------------------------|-----------------|-----------|
|                                                                                         | FY 24-25        | FY 23-24  |
| Textiles                                                                                | -2,325.50       | -1,386.86 |
| Solar                                                                                   | -1,947.50       | -556.54   |
| Others                                                                                  | 0.00            | 0.00      |
| Total segment results (PBT)                                                             | -4,273.00       | -1,943.40 |
| Add: Share of profit of joint ventures and associates accounted for using equity method | 0.00            | 0.00      |
| Add: Unallocated Exceptional items-Income                                               | 0.00            | 0.00      |
| Add: Unallocable income/(expenses)                                                      | 0.00            | 0.00      |
| Profit /(Loss) from continuing activities before tax                                    | -4,273.00       | -1,943.40 |
| Profit / (Loss) from discontinued operations                                            | 0.00            | 0.00      |
| Profit /(Loss) before tax from continuing and discontinued operation                    | -4,273.00       | -1,943.40 |

## Key Financial performance, Operational Information and Ratio Analysis

| Key Ratio / Indicators                   | March 31, 2025 | March 31, 2024 | Remarks<br>[For variance more than 25%]                                                |
|------------------------------------------|----------------|----------------|----------------------------------------------------------------------------------------|
| Current Ratio (times)                    | 0.39           | 0.41           | -                                                                                      |
| Inventory turnover ratio (times)         | 2.99           | 4.52           | Due to significant reduction in turnover and resulting reduction in cost of good sold. |
| Trade receivables turnover ratio (times) | 9.94           | 13.16          | -                                                                                      |
| Trade payable turnover ratio (times)     | 1.73           | 2.88           | Due to significant reduction in purchases.                                             |
| Net profit ratio (%)                     | -37.51%        | -21.15%        | Due to increase in losses and reduction in turnover.                                   |
| Debt-equity ratio (times)                | -67.10         | 7.00           | Due to significant reduction in equity and increase in debts                           |
| Debt service coverage ratio (times)      | -0.12          | -0.18          | Due to increase in repayment by refinancing of loans and negative earnings             |
| Return on equity ratio (%)               | -289.06%       | -144.17%       | Due to significant increase in losses                                                  |
| Return on capital employed (%)           | -5.63%         | 2.79%          | Due to significant increase in losses                                                  |

## Revenue

During the year, standalone revenue was ₹ 9781.90 Lakhs (previous year ₹ 13462.33 Lakhs), Consolidated revenue was 10337.90 Lakhs (previous year ₹ 13401.41 Lakhs).

During the year, standalone exceptional income/(expenses) was ₹ (1213.36) Lakhs (previous year ₹ 938.95), Consolidated exceptional income/(expenses) was ₹ (1213.36) Lakhs (previous year ₹ 938.95).

During the year, standalone EBIDTA profit before exceptional items was ₹ 1486.47 Lakhs, (previous year ₹ 1774.49 Lakhs). Consolidated EBIDTA profit before exceptional item was ₹ 1969.34 Lakhs, (previous year ₹ 1751.27 Lakhs).

## Profit/(Loss) Before Tax ("PBT")

During the year, standalone Profit/(Loss) Before Tax was ₹ (4580.12) Lakhs (previous year ₹ (1756.70) Lakhs). Consolidated Profit/(Loss) Before Tax was ₹ (4273.00) Lakhs (previous year ₹ (1943.41) Lakhs).

## Net Profit/(Loss)

During the year, Standalone Net Profit/(Loss) was ₹ (4524.53) Lakhs (previous year ₹ (1680.76) Lakhs). Consolidated Net Profit/(Loss) was ₹ (4218.00) Lakhs (previous year ₹ (1867.61) Lakhs).

## Fixed Assets

The standalone year-end Gross Block increased to ₹ 56269.15 Lakhs (previous year ₹ 56097.44 Lakhs) mainly due to the addition in plant & machinery. The consolidated year-end Gross Block increased to ₹ 69090.07 Lakhs (previous year ₹ 68912.58 Lakhs) mainly due to the addition in plant & machinery.

## Current Liabilities

The standalone current liabilities decreased to ₹ 6415.24 Lakhs (previous year ₹ 9141.99 Lakhs) mainly due to RPS issued against merger compensation payable and value of RPS captured as non-current liabilities (borrowings). The consolidated current liabilities decreased to ₹ 6462.73 Lakhs (previous year ₹ 9187.35 Lakhs) mainly due to RPS issued against merger compensation payable and value of RPS captured as non-current liabilities (borrowings).

## Loan Funds (Secured)

The standalone Secured Loan Funds increased to ₹17767.68 Lakhs (previous year ₹ 15157.78 Lakhs) primarily due to refinancing of earlier term loan and further term loan taken. The consolidated Secured Loan Funds increased to ₹ 17767.68 Lakhs (previous year ₹ 15157.78 Lakhs) primarily due to refinancing of earlier term loan and further term loan taken.

## Loan Funds (Unsecured)

The standalone Unsecured Loan Funds decreased to ₹6204.67 Lakhs (previous year ₹10781.33 Lakhs) primarily due to part repayment of ICD during the year. The consolidated unsecured loan funds decreased to ₹ 7106.38 Lakhs (previous year ₹ 11627.91 Lakhs) primarily due to part repayment of ICD during the year.

## Instruments entirely equity in nature (Perpetual Loan)

The standalone Perpetual Loan Funds increased to ₹ 14402.58 Lakhs (previous year ₹13892.58 Lakhs) on account of further perpetual loan taken during the year. The consolidated perpetual loan funds increased to ₹14482.58 Lakhs (previous year ₹ 13972.58) on account of further perpetual loan taken during the year.

## Share Capital and Preference Shares

The paid-up Equity Share Capital and preference share capital of the Company as on March 31, 2025 was ₹ 649.93 Lakhs and ₹ 4255.6838 Lakhs respectively. During the year under review, the Company has not issued any shares with differential voting rights or 'sweat equity shares' and has not granted any stock options. As on March 31, 2025 none of the Directors of the Company hold shares or convertible instruments of the Company.

## Dividend and Transfer to Reserves

In view of the losses during the current year, the Board of Directors regrets their inability to declare dividend. No amount was transferred to the reserves during the year.



## Material changes and commitments

There were no material changes and commitments affecting the financial position of the Company which have occurred, between the end of the financial year of the Company to which the financial statements relate and the date of the Report.

## Opportunities and Threats

Our success as an organization depends on our ability to identify opportunities and leverage them while mitigating the risks that arise while conducting our business. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Some of the opportunities and key risks, anticipated impact on the Company and mitigation strategy is as follows:

### Risks and Concerns:

Risk management process includes identification of risks, its underlying dynamics, mitigation mechanism, prioritization of risk, measurement of key indicators and establishing a monitoring system. A Company-wide awareness of risk management policies and practices are being inculcated to minimize the adverse effect of risks on the operating results and the subject of management of risks is being approached in a planned and coordinated manner. Elucidation of role clarity, understanding of level of authority and reporting system is expected to help this process significantly.

The Company has identified key risks such as Market risks, Regulatory risks, Human resource risks, Commodity price risks. Key Risks include fluctuation in raw materials prices, increased global and local competition, sales channel disruption. Retaining the existing talent pool and attracting new talent. Regulatory Risks include changes in taxation regime, government policies with respect to textiles, pollution control, Industrial Relation issues & regulatory compliances.

## Legal and Regulatory

Compliance with laws and regulations is an essential part of your Company's business operations. We are subject to laws and regulations in diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes. Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance. We closely monitor and review our practices to ensure that we remain compliant with relevant laws and legal obligations.

## Systems and Information

Your Company's operations are increasingly dependent on IT systems and the management of information. Increasing digital interactions with customers, suppliers and consumers place even greater emphasis on the need for secure and reliable IT systems and infrastructure, and careful management of the information that is in our possession.

The cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations continues to increase. To reduce the impact of external cyber-attacks impacting our business, we have sufficient security measures including firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. Our employees are trained to understand these requirements.

### Internal Control Systems and their adequacy:

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

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

## Deposits

During the year under review, the Company has not accepted any deposits from public falling within the meaning of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

### **Particulars of loans, guarantees or investments**

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

### **Directors and Key Managerial Personnel**

As per the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Sunita Khanna is due to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommends her re-appointment as Director of the Company.

The tenure of Mr. D G Prasad and Mr. Pradip Kapadia as Independent Directors of the Company ended on close of business hours of December 28, 2024. The Board places on record its appreciation for the invaluable services and guidance rendered by Mr. D G Prasad and Mr. Pradip Kapadia to the Board and the Company during their tenure as Member of the Board/Committees of the Board.

Based on the recommendation of Nomination and Remuneration Committee and subject to approval of the Shareholders of the Company, the Board appointed Mr. Ganesan Rajamani and Mr. Sanjiv Tipnis as Additional Directors (Non-Executive, Independent Director) of the Company w.e.f January 24, 2025 and May 08, 2025 respectively for a period of five years.

The Shareholders of the Company by way of postal ballot, results of which were declared on April 19, 2025 approved appointment of Mr. Ganesan Rajamani as Independent Director for a term of five years commencing from January 24, 2025.

In the Notice of ensuing Annual General Meeting of the Company an item for appointment of Mr. Sanjiv Tipnis as Independent Director of the Company shall be included.

Key Managerial Personnel of the Company as on March 31, 2025 were Mr. Gautam V. Kumtakar, Managing Director & Chief Executive Officer, Mr. Rakesh M. Nanwani, Company Secretary & Compliance Officer and Mr. Vipin Kumar Sharma, Chief Financial Officer.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for attending meetings of Board/ Committee of the Company.

Independent Directors are familiarized with their roles, rights and responsibilities in the Company through presentation made to them from time to time. The details of familiarization programmes conducted have been hosted on the website of the Company and can be accessed at [www.gokaktextiles.com](http://www.gokaktextiles.com)

### **Audit Committee of the Board of Directors**

The details pertaining to the composition of the Audit Committee of the Board of Directors are included in the Corporate Governance Report which forms part of this report.

### **Meetings of the Board**

The Board met at least once in each quarter and 5 (five) meetings of Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed under the Companies Act, 2013. The details have been provided in the Corporate Governance Report.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR), 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as, the evaluation of the working of its Committee(s).

The performance of the Board was evaluated by the Board on the basis of the process laid in the Charter for Performance Evaluation, the structured questionnaires for performance evaluation, parameters/criteria, such as, degree of fulfillment of key responsibility by the Board, Board Structures and Composition, establishment and delineation of responsibilities to the Committees,

effectiveness of Board processes, information and functioning, Board culture and dynamics and quality of relationship between the Board and the Management.

The performance of the committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility was evaluated by the Board on the basis of parameters/criteria such as degree of fulfillment of key responsibilities, adequacy of committee composition, effectiveness of meetings, committee dynamics and, quality of relationship of the committee with the Board and the Management.

The Board reviewed the performance of the individual Directors (without the concerned director being present).

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

### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of Director, Senior Management and their remuneration. Remuneration Policy of the Company acts as a guideline for determining, inter alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal, and evaluation of the performance of the Directors, Key Managerial Personnel and Senior Managerial personnel.

Nomination & Remuneration Policy is annexed as **Annexure II** to this Report.

Disclosure as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure III** to this Report.

### Auditors and Audit Report Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Batliboi & Purohit, Chartered Accountants (ICAI Firm Registration no. 101048W) were appointed as the Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 16<sup>th</sup> Annual General Meeting of the Company.

Pursuant to the provisions of section 139 (2), M/s Batliboi & Purohit, Chartered Accountants, were eligible to be re-appointed as statutory auditors of the Company for another term of five years.

The shareholders of the Company at their 16<sup>th</sup> Annual General Meeting held (AGM) held on September 29, 2022 have appointed Batliboi & Purohit, Chartered Accountants as Statutory Auditors of the Company until the Conclusion of the 21<sup>st</sup> Annual General Meeting of the Company to be held in the year 2027 and authorized the Board to fix the remuneration.

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

### Cost Auditors

As per the requirements of section 148 of the Companies Act, 2013, read with The Companies (Cost Records and Audit) Rules, 2014, the cost accounts of the Company are required to be audited by a Cost Accountant. The Board of Directors of the Company on the recommendation of the Audit Committee, appointed Mr. Mukesh R. Dekhtawala, Cost Accountant as Cost Auditor for the financial year 2025 – 2026 on a remuneration of ₹ 1.65 lakhs plus out of pocket expenses. As required under the Companies Act, 2013 necessary resolution seeking Shareholders ratification for the remuneration to Cost Auditor is included in the Notice convening the 19<sup>th</sup> Annual General Meeting of the Company.

### 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 KDSH & Associates LLP, Company Secretaries, to conduct Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as **Annexure IV** to this Report. The Secretarial Audit Report contains observations which are self-explanatory.

The Secretarial Audit of Gokak Power & Energy Limited, (Material Subsidiary) for the FY 2024-25 was carried out pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Report of the Secretarial Auditor of Gokak Power & Energy Limited does not contain any qualification, reservation or adverse remark or disclaimer.

### **Corporate Social Responsibility**

The provisions of the Companies Act, 2013 relating to Corporate Social Responsibility were not applicable to the Company for the FY 2024-25. The Board of Directors of the Company has, however, voluntarily constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Act.

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

### **Vigil Mechanism / Whistle Blower Policy**

The Company has Whistle Blower Policy/Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The policy is also available on the website of the Company.

### **Extract of Annual Return**

Pursuant to Section 92(3) read with Section 134 (3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2025 is available on website of the Company viz., [www.gokaktextiles.com](http://www.gokaktextiles.com)

### **Related Party Transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with the Promoter, Directors, Key Managerial Personnel or the designated persons which may have a potential conflict with the interest of Company at large except power purchase from the subsidiary company for captive consumption.

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

Form AOC-2 is annexed as **Annexure V** to this report, pursuant to section 188 of the Companies Act, 2013. The policy on Related Party Transactions as approved by the Board is available on website of the Company viz., [www.gokaktextiles.com](http://www.gokaktextiles.com).

### **Corporate Governance and Management Discussion and Analysis**

The guiding principle of the Code of Corporate Governance is 'harmony' i.e balancing the need for transparency with need to protect the interest of the Company, balancing the need for empowerment at all levels with the need for accountability. A detailed report on Corporate Governance is annexed as a part of this Annual Report and the Management Discussion and Analysis report forms part of this report.

A Certificate on compliance of conditions of Corporate Governance issued by Mr. Kiran B. Desai, Designated Partner, KDSH & Associates LLP, Company Secretaries is annexed to the Report on Corporate Governance.

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to the Report on Corporate Governance.

### **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 and Company's operations in future.

### **Statutory Compliances**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace as per with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaints & Committee (ICC) has been setup to redress complaints received regarding sexual

harassment as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the ICC includes external member.

The details of Complaints received during the year:

| Sr. No. | Particulars                                                 | Status |
|---------|-------------------------------------------------------------|--------|
| 1       | Number of Complaints of Sexual harassment filed in the year | Nil    |
| 2       | Number of Complaints disposed of during the year            | Nil    |
| 3       | Number of cases pending for more than ninety days           | Nil    |

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

#### **Statement by the company with respect to the compliance to the provisions relating to the Maternity Benefits Act, 1961:**

The Company confirms that it adheres to the provisions of the Act, ensuring maternity leave benefits, suitable workplace facilities, and other related provisions. During the period under review, there was no eligible employee to avail the benefits to the Act.

#### **Directors' Responsibility Statement**

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

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

#### **Human Resources / Industrial Relations**

##### **Developments in Human Resources / Industrial Relations front:**

The Company has developed a strong human resource base which helped the company to retain the employees for a very long time in view of learning opportunity, comfortable housing, very good educational facilities at minimum educational fees for the children of the Employees. The organization also has good HR Policies for employees in place.

In view of low attrition of the employees Management is encouraging employees to undertake higher responsibilities in the ladder of hierarchy so that the fresh talent hiring at the bottom of the organizational pyramid provides continuity of development at each level. The Company provides skill building trainings to employees internally. The hiring of experienced employees from outside is the last priority and first opportunity is provided to employees in line function or cross function as well.

The company has different HR processes for development of human resource which includes performance management system for appraisal of employee performance, skill development and believes in the fundamentals of Train, Retrain & Retain employees by way giving three R, Rewards, Recognition & Respect to employees.

The Management has developed very good cordial Industrial relations and has been able to carry out operations successfully despite continued challenges of market down turn, fierce competition having high input cost by achieving flexibility in operations suitable to the requirements of business.

**Change in the Nature of Business, If Any:**

There is no change in the Nature of business of the Company.

**Transfer of Unclaimed Dividend to Investor Education and Protection Fund:**

Since no dividend has been declared by the Company, there was no unpaid/unclaimed dividend and accordingly the provisions of Section 125 of the Companies Act, 2013 do not apply.

**Details of application made or any proceeding pending under the insolvency and bankruptcy code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year: NIL****The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof:**

The Company has not undergone for valuation during the year.

**Particulars of Employees and Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

- a. The information required pursuant to Section 197 of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.
- b. Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure VI** to this report.

**Cautionary Statement:**

Statements in the Board's Report and Management Discussion & Analysis describing the Company's objectives, estimates, expectations or projections, outlook etc., may be 'forward looking statements' within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to factors beyond control. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other factors such as litigation and industrial relations.

**Acknowledgements**

Your Directors acknowledge and thank all stakeholders of the Company viz. customers, members, employees, dealers, vendors, banks and other business partners for their valuable sustained support and encouragement. Your Directors look forward to receiving similar support and encouragement from all stakeholders in the years ahead.

Place : Mumbai  
Date : May 23, 2025

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

**Vinod J. Bhandawat**

Chairman

DIN : 02873571

**Gautam V. Kuntakar**

Managing Director & Chief Executive Officer

DIN: 09791999

**Registered Office**

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

## Annexure I

## Form AOC-I

[ Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

## Part A: Subsidiaries

(₹ in Lakhs)

| Name of the Subsidiary                                                                                  | Gokak Power & Energy Limited |
|---------------------------------------------------------------------------------------------------------|------------------------------|
| The date since when subsidiary was acquired / Date of Incorporation                                     | January 17, 2012             |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 01-April-2024 to 31-Mar-2025 |
| Share Capital                                                                                           | 4,900.00                     |
| Reserves & Surplus                                                                                      | -3,274.32                    |
| Total Assets                                                                                            | 8,161.66                     |
| Total Liabilities                                                                                       | 6,535.98                     |
| Investments                                                                                             | 0                            |
| Turnover                                                                                                | 1,178.09                     |
| Profit before taxation                                                                                  | 70.86                        |
| Provision for taxation including Deferred Tax                                                           | 0                            |
| Other Comprehensive Income                                                                              | -0.59                        |
| Profit after taxation                                                                                   | 70.27                        |
| Proposed Dividend                                                                                       | -                            |

Note: 1. Names of subsidiaries which are yet to commence operations - NIL

2. Names of subsidiaries which have been liquidated or sold during the year – NIL

## Part B: Associates and Joint Ventures - NIL

Place : Mumbai  
Date : May 23, 2025

For and on behalf of the Board of Directors

**Vinod J. Bhandawat**  
Chairman  
DIN : 02873571

**Gautam V. Kumtakar**  
Managing Director & Chief Executive Officer  
DIN: 09791999

## **Nomination and Remuneration Policy**

### **Regulatory Framework**

#### **I. Section 178 of the Companies Act, 2013**

- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- The Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy as aforesaid shall ensure that:
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - (b) relationship of remuneration to performance is clear and meet appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### **II. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Schedule II Part D of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that role of Nomination and Remuneration Committee shall, inter alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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 of directors their appointment and removal.
- To recommend 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.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- Such other functions/duties as may be entrusted by the Board from time to time.



The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

## Definitions & Interpretation

In this Policy unless the context otherwise requires:

**Act** shall mean Companies Act, 2013.

**Board** shall mean Board of Directors of the Company (Gokak Textiles Limited).

Charter shall mean Charter for Performance Evaluation of the Directors, Committees and Board of Directors adopted by the Board of Directors of the Company as amended from time to time.

**KMPs** or Key Managerial Personnel shall mean following:

- a. Managing Director (MD), or Chief Executive Officer or Manager and in their absence, Whole time Director;
- b. Company Secretary; and
- c. Chief Financial Officer

**NRC** shall mean Nomination and Remuneration Committee.

**Senior management** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

## Interpretation

- i. The provisions of the Act and the SEBI (Listing Obligations Disclosure Requirements) Regulations 2015 (SEBI LODR) shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Charter is inconsistent with the provisions of Act and/or the SEBI (LODR), the provisions of Act and/or the SEBI (LODR) shall prevail.
- ii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the SEBI (LODR) or the Charter.
- iii. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the Ministry of the Corporate Affairs or SEBI and/or any other authority.

## Objectives

The Objective of this Policy is to act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, KMPs, Senior Management Personnel and includes:

- Ensuing that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Ensuing that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensuing that the remuneration to Directors, KMPs, and other Senior Management Personnel of the Company involves a fine balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, KMPs and to determine their remuneration;
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry;

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- To lay down criteria for appointment, removal of directors, KMPs and Senior Management Personnel and evaluation of their performance

### **Functions of Nomination and Remuneration Committee**

The NRC shall, inter-alia, perform the following functions:

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Determine the criteria for selection, attributes and broad parameters for appointment of KMPs, evaluation and measurement of performance of KMPs and to recommend appointments of KMPs to the Board.
- Determine the criteria for selection, compensation structure, evaluation and measurement of performance of Senior Management Personnel.
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors;
- Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability;
- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines;
- Devise a policy/criteria on Board diversity;
- The NRC shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management; and
- Set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

In addition to the above the Nomination & Remuneration Committee also reviews / performs the activities listed in Schedule II of Part D (A) of SEBI (LODR) and Section 178 of the Companies Act, 2013

### **Appointment of Directors**

- The NRC shall ensure that Board has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, and consider various factors including but not limited to skills, industry experience, background, race and gender for balanced and diversified Board.
- The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs and recommend to the Board his/her appointment.
- An Independent Director shall also have experience and knowledge in one or more fields of finance, law, management, marketing, sales, administration, corporate governance, or any other disciplines related to the business of the Company.
- Appointment of Independent Directors shall be subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a special resolution by the Company and disclosure(s) of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- The NRC shall recommend appointment or re-appointment of Managing Director (MD)/Whole-Time Director(WTD) for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- The NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMPs or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.
- The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The NRC shall from time to time recommend, review and revise, if required the retirement policy for Directors, KMPs and Senior Management Personnel.
- The Board will have the discretion to retain the Director, KMPs and Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

### **Remuneration of MD/WTB**

- The remuneration/ to the Managing Director/Whole-Time Director will be determined by the NRC and recommended to the Board for approval. The remuneration/ compensation/profit-linked commission etc. shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior/post approval of the members of the Company and Central Government, wherever required.
- Increments to the MD/WTB should be within the slabs approved by the members and shall be made after taking into consideration the Company's overall performance, MD's/WTB's contribution for the same, trends in the industry in general and in a manner which would ensure and support a high performance culture. The MD/WTB shall be eligible for remuneration as may be approved by the members of the Company on the recommendation of the NRC and the Board of Directors. The break-up of the pay scale, performance bonus 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 on the recommendation of the NRC and shall be within the overall remuneration approved by the members and Central Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD/WTB in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the approval of the Central Government.
- The Remuneration to MD/WTB shall involve a balance between fixed and incentive pay reflecting short and long term performance and objectives appropriate to working of the Company and its goals.
- The Non-Executive Directors (Including Independent Directors) of the Company shall be paid sitting fees as per the applicable Regulations as approved by the Board from time to time. All direct and indirect expenses of Directors relating to attending the meetings of Company shall be reimbursed to the Directors.
- The profit-linked Commission shall be paid within the monetary limit approved by the members of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.
- Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.
- Only such employees of the Company and its subsidiaries as approved by the NRC will be granted ESOPs.

### **Familiarisation Programme for Independent Directors**

- Company's Corporate Profile, Organizational structure, the latest Annual Report, Code of Conduct, Policies and Charters applicable to Directors shall be provided to all Directors at the time of joining.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, code of conduct and obligations on disclosures shall be issued to the Independent Directors.
- The company shall provide suitable training to Independent Directors/Non-Executive Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. and they shall be formally introduced to the Business/ Unit Heads and Corporate Functional Heads.

### **Updating the Directors on a Continuing Basis**

- The Company shall periodically arrange Board Strategy discussions at any of the Company's plants or off-site locations. At such Meetings, the Directors also get an opportunity to see the Company's operations, interact with the Plant Heads and

review the sustainability aspects of the Plant. This would enable them to gain an understanding and appreciation of the operations of the Company and initiatives taken on safety, quality, environment issues, CSR, Sustainability, etc.

- At the Board Strategy Meeting, presentations shall be made to the Directors on the Company's long term Vision and Strategy. Business Heads may also present their plans and priorities with the Board. This would enable the Directors to get a deeper insight in the operations of the Company.
- Periodic presentations on operations to the Board shall include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, compliances, subsidiary data, etc.
- Business Heads and Company Executives may be invited at Board or Committee Meetings and meetings of Directors for better understanding of the business and operations of the Company.

#### **Remuneration to KMPs and Senior Management**

- The level and composition to be paid to KMPs and Senior Management shall be reasonable and sufficient to attract, retain and motivate them and shall be also guided by external competitiveness and internal parity.
- The remuneration of KMPs and Senior Management Personnel shall be guided by the external competitiveness and internal parity. Internally, performance rating of all employees would be spread across a normal distribution curve.
- The remuneration of KMPs and Senior Management shall comply with the guidelines approved by the NRC.
- The terms of remuneration of the Chief Internal Auditor shall comply with the guidelines approved by the Audit Committee.

Place : Mumbai  
Date : May 23, 2025

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

**Vinod J. Bhandawat**  
Chairman  
DIN : 02873571

**Gautam V. Kumtakar**  
Managing Director & Chief Executive Officer  
DIN: 09791999

## Annexure III

**Disclosure under Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended on March 31, 2025.

Non-Executive Directors of the Board were paid only sitting fees during the financial year ended March 31, 2025 as follows:

| Director (Non-Executive) | Sitting Fees (₹ in lakhs) | Ratio to Median<br>(No. of times to Median Salary) |
|--------------------------|---------------------------|----------------------------------------------------|
| Mr. Vinod Bhandawat      | 1.90                      | 0.89:1                                             |
| Mr. D G Prasad           | 4.05                      | 1.89:1                                             |
| Mr. Pradip Kapadia       | 4.05                      | 1.89:1                                             |
| Mr. Nikhil Bhatia        | 5.15                      | 2.40:1                                             |
| Mrs. Sunita Khanna       | 1.20                      | 0.56:1                                             |
| Mr. Ganesan Rajamani     | 1.80                      | 0.84:1                                             |

Remuneration to Executive Director

| Director (Non-Executive)                                                | Gross Remuneration<br>(₹ in lakhs) | Ratio to Median<br>(No. of times to Median Salary) |
|-------------------------------------------------------------------------|------------------------------------|----------------------------------------------------|
| Mr. Gautam V. Kuntakar<br>(Managing Director & Chief Executive Officer) | 71.02                              | 33.14:1                                            |

2. **Percentage increase in remuneration of Key Managerial Personnel (KMPs) in the Financial Year 2024 – 2025:**

| Executive Director, Chief Financial Officer and Company Secretary   | % increase on<br>Cost to Company |
|---------------------------------------------------------------------|----------------------------------|
| Mr. Gautam V. Kuntakar, Managing Director & Chief Executive Officer | Nil                              |
| Mr. Vipin Kumar Sharma, Chief Financial Officer                     | Nil                              |
| Mr. Rakesh M. Nanwani, Company Secretary & Compliance Officer       | Nil                              |

3. Percentage increase in the median remuneration of employees in the financial year: NIL
4. Number of permanent employees on the pay roll of Company as on March 31, 2025 were 716 and in previous year were 798.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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: NIL
6. The key parameters for any variable component of remuneration availed by the directors: NA
7. The Company affirms that the remuneration is as per the remuneration policy of the Company.

Place : Mumbai  
Date : May 23, 2025

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

**Vinod J. Bhandawat**  
Chairman  
DIN : 02873571

**Gautam V. Kuntakar**  
Managing Director & Chief Executive Officer  
DIN: 09791999

**Form No.MR-3  
SECRETARIAL AUDIT REPORT**

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

**FOR THE FINANCIAL YEAR ENDED: 31<sup>st</sup> March, 2025**

To,  
The Members,  
**Gokak Textiles Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gokak Textiles Limited (CIN: L17116KA2006PLC038839) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on 31<sup>st</sup> March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment and overseas direct investment and External Commercial Borrowings. (No such transaction took place during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (No such transaction took place during the Audit Period)
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (No such transaction took place during the Audit Period);
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (No such transaction took place during the Audit Period) ;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021 (No such transaction took place during the Audit Period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (No such transaction took place during the Audit Period);
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (No such transaction took place during the Audit Period);
  - i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

vi. Other laws applicable specifically to the Company namely:

#### **Labour Laws**

- a) The Factories Act, 1948
- b) The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952 and Employees Deposit Linked Insurance Scheme, 1976
- d) The Employees State Insurance Act, 1948
- e) The Payment of Wages Act, 1936
- f) The Payment of Bonus Act, 1965
- g) The Payment of Gratuity Act, 1972
- h) The Child Labour (Regulation & Abolition) Act, 1970
- i) The Contract Labour (Regulation & Abolition) Act, 1970
- j) The Shops & Establishments Act, 1961
- k) Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963
- l) The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- m) The Industrial Disputes Act, 1947
- n) The Minimum Wages Act, 1948
- o) Karnataka Maternity Benefit Act, 1961
- p) Trade Unions Act, 1926
- q) The Industrial Employment (Standing Orders) Act, 1946
- r) Apprentice Act 1961
- s) Karnataka Labour Welfare Fund Act, 1965

#### **Environmental Laws**

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

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

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

#### **Textile & Apparel Sector**

- a) Collection of Statistics Act, 2008

#### **Other Laws**

- a) The Karnataka Legal Metrology (Enforcement) Rules, 2011
- b) The Trademark Act, 1999
- c) Information Technology Act, 2000
- d) Electricity Act, 2003

- e) The Indian Stamp Act, 1899
- f) The Competition Act, 2002

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting i.e SS-1 and SS-2.
- ii. The Listing Agreements entered into by the Company with the BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors expect the below

The Company delayed to fill the casual vacancy of Women Director with-in time line as per section 149 (1) of Companies Act 2013 read with rule 3 of the companies (Appointment and Qualification of Directors) Rules, 2014 and as per Regulations 17 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was a delay on part of the Company to fill the casual vacancy of Independent Directors with-in time line as mentioned in Section 149 of the Companies Act, 2013 read with Rule 4 Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17 (1) and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any .

The Company had not complied with the provisions relating to the composition of the Audit Committee and NRC Committee as required under Section 177 and 178 of the Companies Act, 2013 and Regulation 18(1) and 19(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. For the period of 26 days Committees did not have the requisite number of Independent Directors and thus it was not properly constituted as per regulatory requirements.

We have been advised that the Company had initiated the process of identification and selection of woman and independent directors who were experienced and were long serving professional /experts in the field the company operated.

The Company informed us that after due process woman director was appointed w.e.f August 13, 2024 and one independent director was appointed w.e.f January 24, 2025 and another one on May 08, 2025 respectively.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Managing Director of the Company which was taken on record by the Board of Directors, 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 as per the list of such laws as mentioned above in Point No. vi of this report.

There was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period.

Place: Bangalore  
Date: 21/05/2025

For **KDSH & Associates LLP**

**Kiran Desai**  
Designated Partner  
FCS10056| CP No: 12924  
UDIN: F010056G000394605  
Peer Review Certificate Number 2406/2022



**Annexure A**

To,  
The Members,  
**Gokak Textiles Limited**  
CIN: L17116KA2006PLC038839  
#1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross Ideal Homes,  
Near Jayanna Circle, Rajarajeshwari Nagar  
Bangalore-560098

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

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

Place: Bangalore  
Date: 21/05/2025

For **KDSH & Associates LLP**

**Kiran Desai**  
Designated Partner  
FCS10056| CP No: 12924  
UDIN: F010056G000394605  
Peer Review Certificate Number 2406/2022

**Form AOC-2**

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

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

|   |                                                                                                                      |                                                                                                                                                        |
|---|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Details of contracts / arrangements or transactions not at arm's length basis                                        | Nil                                                                                                                                                    |
| 2 | Details of material contracts / arrangements or transactions at arm's length basis                                   | 01-April-2024 to 31-March-2025                                                                                                                         |
|   | a. Name of related party and nature of relationship                                                                  | Gokak Power & Energy Limited (Subsidiary Company)                                                                                                      |
|   | b. Nature of contracts / arrangements /transactions                                                                  | Agreement for purchase of power between Gokak Power & Energy Limited and Gokak Textiles Limited, Holding Company for captive consumption.              |
|   | c. Duration of transactions contracts / arrangements/                                                                | 20 years w.e.f. 27.09.2012                                                                                                                             |
|   | d. Salient terms of the contracts / arrangements/ transactions including Value, if any                               | Captive user agrees to pay Rs. 4.47 + Rs. 0.20 (electricity duty) for every unit of power transferred, subject to conditions laid out in the agreement |
|   | e. Dates of Approval by the Board, if any                                                                            | August 13, 2012                                                                                                                                        |
|   | f. Amount paid as advance, if any                                                                                    | Security Deposit – Rupees One Lakh                                                                                                                     |
| 1 | Details of contracts or arrangements or transactions not at arm's length basis                                       | Nil                                                                                                                                                    |
| 2 | Details of material contracts or arrangement or transactions at arm's length basis:                                  | 01-April-2024 to 31-March-2025                                                                                                                         |
|   | a. Name(s) of the related party and nature of relationship                                                           | Gokak Power & Energy Limited (Subsidiary Company)                                                                                                      |
|   | b. Nature of contracts/arrangements/ Transactions                                                                    | Novation Agreement to transfer unsecured loan.                                                                                                         |
|   | c. Duration of the contracts/arrangements/ Transactions                                                              | Receivable on demand                                                                                                                                   |
|   | d. Salient terms of the contracts or arrangements or transactions including the value, if any                        | Novated unsecured loan of Rs. 6427.30 lakhs (principle amount Rs. 4069.00 lakhs) @ 11.50 % P.A.                                                        |
|   | e. Date(s) of approval by the Board, if any:                                                                         | November 09, 2022                                                                                                                                      |
|   | f. Amount paid as advances, if any:                                                                                  | Nil                                                                                                                                                    |
|   | g. Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | July 14, 2023                                                                                                                                          |
| 1 | Details of contracts or arrangements or transactions not at arm's length basis                                       | Nil                                                                                                                                                    |
| 2 | Details of material contracts or arrangement or transactions at arm's length basis:                                  | 01-April-2024 to 31-March-2025                                                                                                                         |
|   | a. Name(s) of the related party and nature of relationship                                                           | Shapoorji Pallonji And Company Private Limited (Holding Company)                                                                                       |
|   | b. Nature of contracts/arrangements/ Transactions                                                                    | (i) Novation Agreement to transfer subsidiary's unsecured loan and<br>(ii) Conversion of unsecured loan into perpetual loan.                           |

|    |                                                                                            |                                                                                           |
|----|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| c. | Duration of the contracts/ arrangements/ Transactions                                      | Repayable in part or in full at the discretion of borrower.                               |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any | Perpetual debt (instrument entirely equity in nature) of Rs. 6427.30 lakhs @ 11.50 % P.A. |
| e. | Date(s) of approval by the Board, if any:                                                  | November 09, 2022                                                                         |
| f. | Amount paid as advances, if any:                                                           | Nil                                                                                       |

Place : Mumbai

Date : May 23, 2025

**For and on behalf of the Board of Directors****Vinod J. Bhandawat**

Chairman

DIN : 02873571

**Gautam V. Kumtakar**

Managing Director &amp; Chief Executive Officer

DIN: 09791999

## Annexure VI

Particulars of Technology Absorption and Foreign Exchange earnings and outgo, as per Section 134 (3)(m) of the Companies Act, 2013 and the Rules made therein and forming part of the Directors' Report for the year ended March 31, 2025.

### A. Conservation of energy

Company has undertaken following activities for the Year 2024-25, on energy conservation

|       |                                                                           |    |                                                                                                                                                               |                                                                                                 |
|-------|---------------------------------------------------------------------------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| (i)   | The steps taken to improve energy conservation :-                         | i. | Mill No. - 1,2,3,5 & 7 LED Tube lights replacement:<br><br>From 36 watts to 18 watts, Retrofit type, Qty. – 191 nos.<br><br>Energy savings = 36,365 Kwh/Annum | This resulted in savings of Rs. 2.97 lakh per annum<br>Quantum of Energy saving in KWH – 36,365 |
| (ii)  | The steps taken by the company for utilizing alternate sources of energy. |    |                                                                                                                                                               | Hydro Units - 64,99,260 Kwh<br>Solar Units - 5,29,800 Kwh<br>Open Access - 0 kwh                |
| (iii) | the capital Investment on energy conservation equipment's                 |    |                                                                                                                                                               | Rs. 51,000                                                                                      |

### B. Technology absorption:

|       |                                                                                                                          |     |
|-------|--------------------------------------------------------------------------------------------------------------------------|-----|
| (i)   | the efforts made towards technology absorption and benefits derived as result of the below activities :                  | NIL |
| (ii)  | the benefits derived like product improvement, cost reduction, product development or import substitution                | NIL |
| (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                                                                                   | NIL |
|       | (b) the year of import;                                                                                                  | NIL |
|       | (c) whether the technology been fully absorbed                                                                           | NIL |
|       | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and future plan of action | NIL |
| (iv)  | the expenditure incurred on Research and Development                                                                     | NIL |

### C. Foreign exchange earnings and Outgo

(₹ in Lakhs)

|   |          |     |
|---|----------|-----|
| 1 | Earnings | NIL |
| 2 | Outgo    | NIL |

Place : Mumbai  
Date : May 23, 2025

For and on behalf of the Board of Directors

**Vinod J. Bhandawat**  
Chairman  
DIN : 02873571

**Gautam V. Kuntakar**  
Managing Director & Chief Executive Officer  
DIN: 09791999

## CORPORATE GOVERNANCE REPORT FOR FY 2024 - 2025

### Corporate Governance Report:

The Company believes in the highest standards of good and ethical corporate governance practices. Good governance practices stem from the culture and mindset of the organization. It is therefore not merely about enacting policies regulations and procedures but also about establishing an environment of trust and confidence among various shareholders.

The Company's philosophy on the Code of Governance is that the Company should follow contemporary corporate practices and the guiding principle of the Code of Governance of the Company is Harmony i.e.:

- (a) Balancing need for transparency with the need to protect the interests of the Company;
- (b) Balancing the need for empowerment at all levels with the need for accountability ;and
- (c) Interaction with all stakeholders including shareholders, employees, lenders and regulatory authorities.

### Code of Conduct

The Company has strong and consistent legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for All Board Members and Senior Management (the "Code") which will uphold ethical values and legal standards as the Company pursues its objectives. The Code has been communicated to the Directors and the members of the Senior Management. All Board members and senior management have confirmed compliance with the Code for the year ended March 31, 2025. The Annual Report contains a declaration to this effect signed by the Chief Executive Officer & Managing Director.

### Code of Practices and Procedures for Fair Disclosure and Conduct

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a Code for Prevention of Insider Trading & Code of Corporate Disclosure Practices ("Insider Trading Code") based on the principle that Directors, Officers, and Employees of the Company owe a fiduciary duty to the members of the Company to place the interest of the members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Insider Trading Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investors by the Company to enable them to take informed investment decisions with regard to the Company's securities. The Chief Financial Officer of the Company is responsible for implementation of the Insider Trading Code.

### Board of Directors:

The Board of Directors are persons of integrity and having wide range of experience and skills. The Board of Directors as on March 31, 2025, comprised of Five (5) Directors. The Chairman of the Board is Non-Executive Director. Four (4) Directors are Non- executive and One (1) Executive Director. The Board comprised of 3 (50%) Independent Directors upto December 28, 2024.

The composition of the Board was in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015. (SEBI (LODR), 2015) upto December 28, 2024 and the composition was not in conformity till March 31, 2025 for FY 2024 - 2025.

The Company is managed by Managing Director & Chief Executive Officer under the supervision, direction and control of the Board. The Managing Director & Chief Executive Officer is assisted by a team of qualified and experienced professionals. None of the Independent Directors serve as an Independent Director in more than seven listed entities. None of the Directors of the Company are members in more than 10 mandatory committees nor act as a Chairman in more than 5 mandatory committees of public companies.

The Board met at least once in a quarter, and the maximum time gap between two Board Meetings did not exceeded the time limit prescribed in regulation 17 (2) of SEBI (LODR), 2015. During the year under review, 5 (five) Board meetings were held on May 25, 2024; August 13, 2024; November 14, 2024, December 20, 2024 and February 10, 2025 The necessary quorum was present for all the meetings. Video Conferencing facility was provided, wherever required to enable Directors to participate in meetings.

The terms and conditions of appointment of the Independent Directors and the details of familiarization programme to them are available on the website of the Company [www.gokaktextiles.com](http://www.gokaktextiles.com)

Based on the declarations received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI LODR and are independent of the Management.

Pursuant to the provisions of the Companies Act, 2013 and SEBI LODR the Board has carried out annual performance evaluation of its own performance, the Directors individually, as well as the evaluation of the working of its Committee(s) on the basis of the parameters of performance evaluation process provided in the Charter for Performance Evaluation.

All the information required to be placed before the Board of Directors under Regulation 17 (7) of SEBI LODR, has been duly placed. The Agenda along with explanatory notes are sent in advance to the Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings, and Annual General Meeting (AGM) held during the year, the number of Chairmanships/ Directorships of all Boards excluding alternate directorship, directorship of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 and the Committees of Board (Chairmanship/ Membership of Board Committees include only Audit Committee and Stakeholders' Relationship Committee across all public limited (listed as well as unlisted) including those of the Company), held by them as on March 31, 2025 are as follows:

| Sr. No. | Name of the Director                                                                     | Category                        | Number of Board Meetings during 2024- 2025 |          | Attendance at AGM held on September 27, 2024 | Number of shares held | Relationship with other Director | No. of Director ships in all Public Companies | No. of Committee Positions held in all Public Companies |        | Directorship in other listed entity (Category of Directorship)                                                                                                                                                                    |
|---------|------------------------------------------------------------------------------------------|---------------------------------|--------------------------------------------|----------|----------------------------------------------|-----------------------|----------------------------------|-----------------------------------------------|---------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                                                                                          |                                 | Held                                       | Attended |                                              |                       |                                  |                                               | Chairman                                                | Member |                                                                                                                                                                                                                                   |
| 1       | Mr. Vinod Bhandawat<br>DIN : 02873571                                                    | Non- Executive Non- Independent | 5                                          | 5        | Yes                                          | Nil                   | None                             | 3                                             | 0                                                       | 1      | NIL                                                                                                                                                                                                                               |
| 2       | Mr. Nikhil Bhatia<br>DIN: 00414281                                                       | Non- Executive Independent      | 5                                          | 5        | Yes                                          | Nil                   | None                             | 6                                             | 5                                                       | 1      | 1. Forbes & Company Limited (Independent Non- Executive Director)<br>2. Forbes Precision Tools & Machine Parts Limited (Independent Non- Executive Director)<br>3. Aarti Industries Limited (Independent Non- Executive Director) |
| 3       | Mr. Gautam V. Kuntakar #<br>DIN: 09791999<br>Managing Director & Chief Executive Officer | Executive Non- Independent      | 5                                          | 5        | Yes                                          | Nil                   | None                             | 2                                             | 0                                                       | 3      | NIL                                                                                                                                                                                                                               |
| 4       | Mrs. Sunita Khanna #<br>DIN : 01713143                                                   | Non- Executive Non- Independent | 5                                          | 4        | Yes                                          | Nil                   | None                             | 1                                             | 0                                                       | 0      | NIL                                                                                                                                                                                                                               |
| 5       | Mr. Ganesan Rajamani @<br>DIN : 07615445                                                 | Non- Executive Independent      | 5                                          | 1        | NA                                           | 200                   | None                             | 1                                             | 0                                                       | 1      | NIL                                                                                                                                                                                                                               |

# appointed w.e.f August 13, 2024

@ appointed w.e.f January 24, 2025

The Board has identified following skills/expertise/competencies for effective functioning of the Company which are currently available with the Board.

- Marketing, Sales and Synergies;
- Finance, Strategy and HR Management; and
- Corporate Governance and Administration

The specific areas of skills/expertise/competences of the individual Directors is given below:

| Director                                                                  | Areas of Skills/Expertise/Competence                                                                                                                                                                                              |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Vinod Bhandawat<br>Non-Executive Non- Independent Director & Chairman | Business Strategy and Business Development, Business and Corporate Governance, Finance & Tax, Fund raising, business structuring.                                                                                                 |
| Mr. Nikhil Bhatia<br>Non-Executive – Independent Director                 | Risk Management, Finance and control Taxation and related Regulatory, Business structuring and Governance.                                                                                                                        |
| Mr. Gautam V. Kumtakar<br>Managing Director & Chief Executive Officer     | Business Strategy and Business Development, Marketing and communications, Business Governance and General Administration.                                                                                                         |
| Mrs. Sunita Khanna<br>Non-Executive Non- Independent Director             | Risk Management, Finance and control, Taxation and related Regulatory, Business structuring and Governance.                                                                                                                       |
| Mr. Ganesan Rajamani<br>Non-Executive – Independent Director              | Business, Strategy, Public Policy, Planning, Administration, Compliance and Governance, etc.                                                                                                                                      |
| Mr. Sanjiv Tipnis<br>Non-Executive – Independent Director                 | Operations, Strategic Planning, Project Management, Plant & Quality Management, HSE Management, Customer & Supplier Relationship Management, Team Building & Leadership, knowledge of the textile, fibre and power/energy sector. |

#### Familiarization Programme for Independent Directors

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/ brochures, reports and internal policies to familiarize them about the textile industry, business operations and functioning of various divisions/departments of the Company. The details of familiarization programme imparted to the Independent Directors are available on the Company's website at [www.gokaktextiles.com](http://www.gokaktextiles.com)

#### Meeting of Independent Directors:

The Independent Directors met on February 10, 2025 to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as a Whole.
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive Directors and Non-Executive Directors.
- Evaluation of quality content and time lines of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform duties.

The meeting was attended by all Independent Directors.

#### CEO & CFO Certification

As required by the Regulation 17(8) of SEBI (LODR), 2015 a certificate from Mr. Gautam V. Kumtakar, Managing Director & Chief Executive Officer and Mr. Vipin Kumar Sharma, Chief Financial Officer, has placed before the Board of Directors.

#### Particulars of Senior Management

| Sr. No. | Name                              | Designation                                |
|---------|-----------------------------------|--------------------------------------------|
| 1.      | Mr. Vipin Kumar Sharma            | Chief Financial Officer                    |
| 2.      | Mr. Rakesh Maheshkumar Nanwani    | Company Secretary & Compliance Officer     |
| 3.      | Mr. Kailaspati Ramchandra Tanange | Senior General Manager - Operations        |
| 4.      | Mr. Sanjay S. Koparde             | Assistant Manager – Information Technology |
| 5.      | Mr. Abhay K. Kulkarni             | Assistant Manager - Commercial             |
| 6.      | Mr. Arun Chandrakant Kale         | General Manager – Human Resource           |

## **Audit Committee:**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, as applicable along with other terms as referred by the Board of Directors are as under:

- I. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV. 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;
- V. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- VI. 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 381[public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the listed entity with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. 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;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. 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;
- XVI. 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;
- XVII. 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;



- XVIII. Review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- XXI. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- XXII. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- XXIII. Such other functions/duties as may be prescribed by the Act, or SEBI (LODR), 2015 (as amended from time to time); and such other functions/duties as may be entrusted by the Board from time to time.

In addition to the above the Audit Committee also reviews the information listed in Schedule II of Part C (B) of SEBI (LODR).

#### Composition of the Committee:

The Audit Committee of the Board has been constituted in compliance with the provision of Regulation 18 of SEBI LODR read with Section 177 of the Act. The Committee comprises of 3 members of whom 2 are Independent Non-Executive Directors and 1 Executive Director. The Chairman of the Audit Committee is an Independent Director.

All members of audit committee are financially literate and at least one member has accounting or related financial management expertise. The Audit Committee meetings are attended by Chief Financial Officer, Statutory Auditors and Internal Auditors and the functional heads as and when required. The Company Secretary acts as the Secretary to the Committee. The gap between two consecutive meetings was not more than four months. During the year under review, the 4 (four) Audit Committee meetings were held on May 25, 2024; August 13, 2024; November 14, 2024 and February 10, 2025. The Composition of the Committee and details of meeting attended by its members is as follows:

| Sr. No | Name                    | Description | Category                    | No. of Audit Committee Meetings held | No. of Audit Committee Meetings attended |
|--------|-------------------------|-------------|-----------------------------|--------------------------------------|------------------------------------------|
| 1.     | Mr. D G Prasad @        | Chairman    | Non – Executive Independent | 4                                    | 3                                        |
| 2.     | Mr. Pradip N. Kapadia @ | Member      | Non – Executive Independent | 4                                    | 3                                        |
| 3.     | Mr. Gautam V. Kuntakar  | Member      | Executive Director          | 4                                    | 1                                        |
| 4.     | Mr. Nikhil Bhatia *     | Chairman    | Non – Executive Independent | 4                                    | 1                                        |
| 5.     | Mr. Ganesan Rajamani #  | Member      | Non – Executive Independent | 4                                    | 1                                        |

@ upto close of business hours of December 28, 2024

\* Appointed as chairman & member w.e.f January 24, 2025

# appointed as member w.e.f January 24, 2025

The last Annual General Meeting was attended by the Chairman of the Audit Committee.

#### Nomination and Remuneration Committee:

In compliance with Section 178 of the Act and Regulation 19 of SEBI (LODR), 2015, the Board had constituted Nomination and Remuneration Committee. The Committee comprises of 3 members of whom 2 are Independent Non-Executive Directors and functions under the Chairmanship of an Independent Director.

The terms of reference of Nomination and Remuneration Committee includes:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees

- (b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
- Use the services of an external agencies, if required;
  - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - Consider the time commitments of the candidates
- (c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (d) Devising a policy on diversity of board of directors;
- (e) 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 of directors their appointment and removal.
- (f) To recommend 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.
- (g) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- (h) Such other functions/duties as may be entrusted by the Board from time to time.

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Directors' Report. The Nomination and Remuneration Policy of the Company has been uploaded on the website of the Company, [www.gokaktextiles.com](http://www.gokaktextiles.com)

The Committee determines and recommends to the Board the compensation of the Managing Director. The Committee makes periodic appraisal of the performance of the Managing Director. The Company does not have any stock options scheme.

#### **Composition of the Committee:**

The Nomination and Remuneration Committee comprises of three (3) members, of which 2 are Non-Executive Independent Directors and One (1) Non-Executive Non -Independent Director. During the year under review, one (1) meeting was held on March 28, 2025. The composition of the Committee and details of meeting attended by the members is as follows:

| Sr. No | Name                    | Description | Category                          | No. of NRC Meetings held | No. of NRC Meetings attended |
|--------|-------------------------|-------------|-----------------------------------|--------------------------|------------------------------|
| 1.     | Mr. Nikhil Bhatia       | Chairman    | Non – Executive Independent       | 1                        | 1                            |
| 2.     | Mr. Pradip N. Kapadia @ | Member      | Non – Executive Independent       | 1                        | NA                           |
| 3.     | Mr. Vinod Bhandawat     | Member      | Non – Executive Non - Independent | 1                        | 1                            |
| 4.     | Ganesan Rajamani #      | Member      | Non – Executive Independent       | 1                        | 1                            |

**@ upto close of business hours of December 28, 2024**

**# appointed as member w.e.f January 24, 2025**

The last Annual General Meeting was attended by the Chairman of the Nomination & Remuneration Committee.

Details of Remuneration paid to Directors during the year ended March 31, 2025 are as follows:

**A) Non – Executive Directors**

(₹ in lakhs)

| Name of Director     | Sitting fees | Commission Paid | Total |
|----------------------|--------------|-----------------|-------|
| Mr. Vinod Bhandawat  | 1.90         | Nil             | 1.90  |
| Mr. D G Prasad       | 4.05         | Nil             | 4.05  |
| Mr. Pradip Kapadia   | 4.05         | Nil             | 4.05  |
| Mr. Nikhil Bhatia    | 5.15         | Nil             | 5.15  |
| Mrs. Sunita Khanna   | 1.20         | Nil             | 1.20  |
| Mr. Ganesan Rajamani | 1.80         | Nil             | 1.80  |

No commission was paid to any Non – Executive Directors during FY 2024 – 2025.

**B) Remuneration paid to Chief Executive Officer & Managing Director:**

(₹ in lakhs)

| Sr. No. | Particulars                                                                             | Mr. Gautam V. Kuntakar<br>Managing Director & Chief Executive Officer |
|---------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| a       | Salary and allowance                                                                    | 71.02                                                                 |
| b       | Pension contribution to PF                                                              | NIL                                                                   |
| c       | Annual Performance Incentive & Ex-Gratia                                                | NIL                                                                   |
|         | Total                                                                                   | 71.02                                                                 |
| d       | Breakup of fixed components and performance linked incentives with performance criteria | NA                                                                    |
| e       | Service contracts                                                                       | January 08, 2024 to January 07, 2027                                  |
| f       | Notice period                                                                           | Three calendar months                                                 |
| g       | Severance fees                                                                          | Nil                                                                   |
| h       | Stock Option                                                                            | Nil                                                                   |

**Stakeholders Relationship Committee:**

In compliance with the provisions of section 178 of the Act and Regulation 20 of SEBI (LODR), 2015, the terms of reference of the 'Stakeholders Relationship Committee' includes:

- Approval of Share Transfers / Deletion of Name/s / Transposition of Name/s, Dematerialization / Re-materialization of Shares;
- Approval of Transmission of Shares;
- Approval for issue of Duplicate/Replacement/Renewal of Share Certificates;
- Resolution of all the grievances of the security holders;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted in respect of various services being rendered by Registrar & Share Transfer Agents;
- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company and
- Such other functions/duties as may be entrusted by the Board from time to time. The Stakeholders' Relationship Committee meeting was held on February 10, 2025.

The Composition of the Stakeholders' Relationship Committee is as follows:

| S r. No | Name                   | Description | Category                         | No. of Audit Committee Meetings held | No. of Audit Committee Meetings attended |
|---------|------------------------|-------------|----------------------------------|--------------------------------------|------------------------------------------|
| 1.      | Mr. Pradip N. Kapadia@ | Chairman    | Non - Executive Independent      | 1                                    | NA                                       |
| 2.      | Mr. D G Prasad @       | Member      | Non - Executive Independent      | 1                                    | NA                                       |
| 3.      | Mr. Vinod Bhandawat    | Member      | Non - Executive Non- Independent | 1                                    | 1                                        |
| 4.      | Mr. Nikhil Bhatia #    | Chairman    | Non - Executive Independent      | 1                                    | 1                                        |
| 5.      | Mr. Gautam Kuntakar #  | Member      | Executive Independent            | 1                                    | 1                                        |

@ upto close of business hours of December 28, 2024

# Appointed as chairman & member respectively w.e.f December 29, 2024

The Company Secretary also functions as Compliance Officer.

During the year under review, no complaints were received by the Company from any shareholder and there were no pending complaints at the end of the year. Further no transfers were pending as on March 31, 2025.

The last Annual General Meeting was attended by the Chairman of the Stakeholders Relationship Committee.

#### Corporate Social Responsibility Committee (CSR)

The provisions of section 135 of the Companies Act, 2013 are not presently applicable to the Company. The Board of Directors of the Company has in good governance voluntarily constituted Corporate Social Responsibility Committee in compliance of section 135 of the Companies Act, 2013. The Committee comprises three (3) members viz. Mr. Nikhil Bhatia, Non-Executive Independent Director & Chairman of the Committee, Mr. Vinod Bhandawat, Non-executive Non-Independent Director and Mr. Gautam Kuntakar, Executive Director. The CSR Committee will formulate and monitor the CSR Policy of the Company and other policy.

The provisions of section 135 of the Companies Act, 2013 are not presently applicable to the Company. During the year under review, due to net loss, the Company has not earmarked any amount on CSR Activities as specified in the Schedule VII to the Companies Act, 2013.

#### General Body Meetings

(a) the details of date, time and venue of the Annual General Meetings held during the last 3 years till March 31, 2024 are as follows:

| AGM                  | Date of the AGM    | Time       | Venue                                                                                                                                                              |
|----------------------|--------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16 <sup>th</sup> AGM | September 29, 2022 | 1.00 P.M.  | The Annual General Meeting was held through Video Conferencing/ Other Audio Visual Means. The deemed place of the meeting was the registered office of the Company |
| 17 <sup>th</sup> AGM | July 14, 2023      | 12.00 Noon | The Annual General Meeting was held through Video Conferencing/ Other Audio Visual Means. The deemed place of the meeting was the registered office of the Company |
| 18 <sup>th</sup> AGM | September 27, 2024 | 3.00 P.M.  | The Annual General Meeting was held through Video Conferencing/ Other Audio Visual Means. The deemed place of the meeting was the registered office of the Company |

(b) Details of Special Resolutions passed in the previous three (3) Annual General Meetings:

|                                           |                                                                        |                                                                                                                                                                      |
|-------------------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| September 29, 2022 (16 <sup>th</sup> AGM) | (1)                                                                    | Re-appointment of Mr. Ramesh R. Patil (DIN:07568951) as Chief Executive Officer & Managing Director                                                                  |
| July 14, 2023 (17 <sup>th</sup> AGM)      | (1)                                                                    | Approval for providing loan(s)/inter-corporate deposits to Gokak Power & Energy Limited (the "subsidiary company") under section 185 of the Companies Act, 2013.     |
|                                           | (2)                                                                    | Authority to the Board of Directors to Grant Loans/Advances to Gokak Power & Energy Limited (the "subsidiary company") under section 186 of the Companies Act, 2013. |
| September 27, 2024 (18 <sup>th</sup> AGM) | No Special Resolution was passed at the AGM held on September 27, 2024 |                                                                                                                                                                      |

## (c) Whether any special resolution passed through postal ballot : Yes

Postal Ballot Notice dated: March 01, 2024

Date of declaration of results: April 05, 2024

## Voting Pattern

| <b>Resolution (1)</b>                                                          |                                  |                    |                     |                                         |                          |                        |                                      |                                    |
|--------------------------------------------------------------------------------|----------------------------------|--------------------|---------------------|-----------------------------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Re-appointment of Mr. Nikhil Bhatia (DIN: 00414281) as an Independent Director |                                  |                    |                     |                                         |                          |                        |                                      |                                    |
| Category                                                                       | Mode of Voting                   | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – Against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|                                                                                |                                  | [1]                | [2]                 | $[3]=\{[2]/[1]\} \times 100$            | [4]                      | [5]                    | $[6]=\{[4]/[2]\} \times 100$         | $[7]=\{[5]/[2]\} \times 100$       |
| Promoter and Promoter Group                                                    | E – Voting through Postal Ballot | 4780845            | 4780845             | 100                                     | 4780845                  | -                      | 100                                  | -                                  |
| Public Institutions                                                            |                                  | 560843             | 200610              | 35.7694                                 | 200610                   | -                      | 100                                  | -                                  |
| Public Non-Institutions                                                        |                                  | 1157620            | 86876               | 7.5047                                  | 77187                    | 9689                   | 88.8473                              | 11.1527                            |
| <b>Total</b>                                                                   |                                  | <b>6499308</b>     | <b>5068331</b>      | <b>77.9826</b>                          | <b>5058642</b>           | <b>9689</b>            | <b>99.8088</b>                       | <b>0.1912</b>                      |

| <b>Resolution 2</b>                                                                                                 |                                  |                    |                     |                                         |                          |                        |                                      |                                    |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------|---------------------|-----------------------------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Appointment & Remuneration of Mr. Gautam V. Kuntakar (DIN: 09791999) as Managing Director & Chief Executive Officer |                                  |                    |                     |                                         |                          |                        |                                      |                                    |
| Category                                                                                                            | Mode of Voting                   | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – Against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|                                                                                                                     |                                  | [1]                | [2]                 | $[3]=\{[2]/[1]\} \times 100$            | [4]                      | [5]                    | $[6]=\{[4]/[2]\} \times 100$         | $[7]=\{[5]/[2]\} \times 100$       |
| Promoter and Promoter Group                                                                                         | E – Voting through Postal Ballot | 4780845            | 4780845             | 100                                     | 4780845                  | -                      | 100                                  | -                                  |
| Public Institutions                                                                                                 |                                  | 560843             | 200610              | 35.7694                                 | 200610                   | -                      | 100                                  | -                                  |
| Public Non-Institutions                                                                                             |                                  | 1157620            | 78776               | 6.8050                                  | 69087                    | 9689                   | 87.7006                              | 12.2994                            |
| <b>Total</b>                                                                                                        |                                  | <b>6499308</b>     | <b>5060231</b>      | <b>77.8580</b>                          | <b>5050542</b>           | <b>9689</b>            | <b>99.8085</b>                       | <b>0.1915</b>                      |

| <b>Resolution 3</b>                                                                                                                          |                                  |                    |                     |                                         |                          |                        |                                      |                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------|---------------------|-----------------------------------------|--------------------------|------------------------|--------------------------------------|------------------------------------|
| Authority to the Board of Directors to provide security to Suryoday One Energy Private Limited under section 186 of the Companies Act, 2013. |                                  |                    |                     |                                         |                          |                        |                                      |                                    |
| Category                                                                                                                                     | Mode of Voting                   | No. of shares held | No. of votes polled | % of Votes Polled on outstanding shares | No. of Votes – in favour | No. of Votes – Against | % of Votes in favour on votes polled | % of Votes against on votes polled |
|                                                                                                                                              |                                  | [1]                | [2]                 | $[3]=\{[2]/[1]\} \times 100$            | [4]                      | [5]                    | $[6]=\{[4]/[2]\} \times 100$         | $[7]=\{[5]/[2]\} \times 100$       |
| Promoter and Promoter Group                                                                                                                  | E – Voting through Postal Ballot | 4780845            | 4780845             | 100                                     | -                        | -                      | -                                    | -                                  |
| Public Institutions                                                                                                                          |                                  | 560843             | 200610              | 35.7694                                 | 200610                   | -                      | 100                                  | -                                  |
| Public Non-Institutions                                                                                                                      |                                  | 1157620            | 78776               | 6.805                                   | 68963                    | 9813                   | 87.5432                              | 12.4568                            |
| <b>Total</b>                                                                                                                                 |                                  | <b>6499308</b>     | <b>5060231</b>      | <b>77.858</b>                           | <b>269573</b>            | <b>9813</b>            | <b>96.54385</b>                      | <b>3.45615</b>                     |

**(d) Person who conducted the Postal Ballot exercise:**

Postal Ballot was conducted by Mr. Kiran Desai, Designated Partner, KDSH & Associates LLP, Company Secretaries.

**(e) Whether any special resolution is proposed to be conducted through postal ballot:**

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

**(f) Procedure for postal ballot : The postal ballot was carried out as per the provisions of sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder.**

**Fees paid by the Company and its Subsidiaries, on consolidated basis, to Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part:** Batliboi & Purohit, Chartered Accountants (Firm Registration No. 101048W) is the Statutory Auditors' of the Company. The particulars of payment of Statutory Auditors' fees on consolidated basis is given below:

| Particulars                                 | Amount in lakh (₹) |
|---------------------------------------------|--------------------|
| Statutory Audit (including quarterly audit) | 25.25              |
| Reimbursement of out-of-pocket expenses     | 0.45               |
| <b>Total</b>                                | <b>25.70</b>       |

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, as amended:

The required disclosures have been made in the Directors' Report for the year ended March 31, 2025 which forms part of this Annual Report for FY 2024-2025.

**Related Party transactions:**

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of business. No materially significant Related Party Transactions has been entered into by the Company with the Promoters, Directors or the Management, Key Managerial Personnel or their relatives etc., that may have potential conflict with the interests of the Company at large except purchase of power for captive consumption from the subsidiary Company viz., Gokak Power & Energy Limited.

All related party transactions are placed before the Audit Committee for approval.

A comprehensive list of related party transactions as required forms part of the Notes of the Financial Statement to the Accounts in the Annual Report.

The Board has approved policies for determining material subsidiaries and related party transaction's which has been uploaded on the Company's website viz. [www.gokaktextiles.com](http://www.gokaktextiles.com)

**Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested:**

Gokak Power & Energy Limited (GPEL), the subsidiary of the Company (GTL) had availed unsecured loan of Rs. 6427.30 lakhs from Shapoorji Pallonji and Company Private Limited (SPCPL, the Holding Company of GTL).

GPEL entered into a novation agreement with GTL and SPCPL on 29-08-2023, where the entire loan amount novated to GTL.

**Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:**

| Name of Material Subsidiary  | Date and Place of Incorporation                 | Name of Statutory Auditors                                         | Date of appointment of the statutory auditors |
|------------------------------|-------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------|
| Gokak Power & Energy Limited | January 17, 2012<br>Bengaluru, Karnataka, India | M/s Batliboi & Purohit,<br>Chartered Accountants,<br>Mumbai, India | September 29, 2022                            |

## Statutory Compliances

The Company has ensured necessary compliance with the requirements of the Stock Exchange, SEBI and other authorities related to capital market except for which are mentioned in the secretarial audit report as not complied. The details of non-compliance and penalties are as follows:

The Company delayed to fill the casual vacancy of Women Director with-in time line as per section 149 (1) of Companies Act 2013 read with rule 3 of the companies (Appointment and Qualification of Directors) Rules, 2014 and as per Regulations 17 (1) of SEBI (LODR) Regulations, 2015. There was a delay on part of the Company to fill the casual vacancy of Independent Directors with-in time line as mentioned in Section 149 of the Companies Act, 2013 read with Rule 4 Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulations 17 (1) SEBI (LODR) Regulations, 2015, if any. The Company had not complied with the provisions relating to the composition of the Audit Committee and NRC Committee as required under Section 177 and 178 of the Companies Act, 2013 and Regulation 18(1) and 19(1) of the SEBI (LODR) Regulations, 2015. For the period of 26 days Committees did not have the requisite number of Independent Directors and thus it was not properly constituted as per regulatory requirements.

The Company had initiated the process of identification and selection of woman and independent directors who were experienced and were long serving professional /experts in the field the company operated. After due process woman director was appointed w.e.f August 13, 2024 and one independent director was appointed w.e.f January 24, 2025 and another one on May 08, 2025 respectively. The Composition of the Committees was as per the requirements w.e.f January 24, 2025.

### Details of Penalties:

1.

| Sr. No. | Particulars                                                                                                                      | Description                                                                                                                                                                                               |
|---------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Name of the authority                                                                                                            | Regional Director (SER), Hyderabad, Ministry of Corporate Affairs                                                                                                                                         |
| 2.      | Nature and details of the action(s) taken, initiated or order(s) passed                                                          | Penalty of Rs. 1,00,000/- imposed                                                                                                                                                                         |
| 3.      | Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority | As per the directions received from the above specified authorities, the Company has paid the penalty of the above-mentioned amount and applied for the issuance of the final Order on November 06, 2024. |
| 4.      | Details of the violation(s)/contravention(s) committed or alleged to be committed                                                | Violation of Section 203 of the Companies Act, 2013*                                                                                                                                                      |
| 5.      | Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible   | None. Except to the extent of penalty amount of Rs. 1,00,000/- imposed.                                                                                                                                   |

\* The violation relates to Suryoday One Energy Private Limited (SOEPL). SOEPL merged with Gokak Textiles Limited pursuant to order dated April 24, 2024 passed by Hon'ble NCLT, Bengaluru Bench.

2.

| S r. No. | Particulars                                                                                                                      | Description                                                                           |
|----------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1.       | Name of the authority                                                                                                            | BSE Limited                                                                           |
| 2.       | Nature and details of the action(s) taken, initiated or order(s) passed                                                          | Fine of Rs. 2,53,700/- (including GST) imposed for quarter ending September 30, 2024. |
| 3.       | Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority | November 21, 2024                                                                     |



|    |                                                                                                                                |                                                                                                                                                                                                                            |
|----|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | Details of the violation(s)/contravention(s) committed or alleged to be committed                                              | Delayed compliance in filling the vacancy of Woman Director within the stipulated time frame in terms of regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.                      |
| 5. | Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible | None. Except to the extent of total fine of Rs. 5,31,000/- (including GST) imposed by BSE Limited for delay in compliance of regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.* |

\* Fine of Rs. 2,77,300 (including GST) was levied by BSE Limited for Quarter ending June 30, 2024 for the same non-compliance of regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. Woman Director has been appointed w.e.f August 13, 2024.

### **Vigil Mechanism/ Whistle Blower Policy**

Pursuant to Section 177 of the Act and Regulation 22 of SEBI (LODR), 2015, the Board has established a vigil mechanism for the Directors and employees of the Company to report genuine concerns about unethical behavior actual or suggested fraud or violation of the Company's Code of Conduct or ethics. The Company has in place Whistle Blower Policy to provide mechanism for Director or employee of the Company to approach the Chairman of the Audit Committee. No personnel in the Company have been denied access to the Audit Committee or its Chairman. The Policy is available on the Company's website viz. [www.gokaktextiles.com](http://www.gokaktextiles.com).

### **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the mandatory requirements of SEBI (LODR), 2015 except for the delays that have been reported in the secretarial audit report. The status of compliance with discretionary requirements under Regulation 27(1) and Part E Schedule II of SEBI (LODR), 2015 is as follows:

- **Shareholders' Rights:** As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.
- **Audit Qualifications:** The Company's financial statements for the financial year 2024 – 2025 does not does contain any audit Qualification.
- **Separate posts of Chairman and CEO:** The Company has appointed Managing Director & Chief Executive Officer to take care of the day-to- day affairs of the Company. The position of the Chairman and Managing Director are separate.
- **Reporting of internal auditor:** The internal auditor may report directly to the audit committee

### **Means of communication:**

The quarterly, half yearly and annual results are generally published in the Business Standard (English daily) and Hosa Digantha (Kannada Daily - regional language newspaper). The financial results, shareholding patterns are also available on the website of the Company, i.e. [www.gokaktextiles.com](http://www.gokaktextiles.com)

The Company does not have a practice of making presentation to institutional investors and analysts. Management Discussion and Analysis forms part of Annual Report.

### **General Shareholder Information:**

|   |                                             |                                                                                                                                                                          |
|---|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a | Annual General Meeting Date, time and venue | Next Annual General Meeting of the Company is scheduled on Thursday, August 07, 2025 at 02:30 P.M. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') |
| b | Financial year                              | The Company follows the April-March Financial Year.                                                                                                                      |
| c | Dividend Payment date                       | Board has not recommended any dividend                                                                                                                                   |
| d | Listing on Stock Exchanges                  | BSE Limited P.J. Towers, Dalal Street, Mumbai – 400001                                                                                                                   |
| e | Stock Code                                  | 532957 (ISIN: INE642I01014)                                                                                                                                              |



Equity shares of the Company are listed on BSE Limited only and Company has paid the annual listing fees before the due date.

In terms of Schedule V of the Listing Regulations, detail of the equity shares lying in the Suspense Account is as follows:

| S r .<br>No. | Particulars                                                                                                            | Suspense Escrow Demat<br>ccount |                            |
|--------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------|
|              |                                                                                                                        | No. of Share<br>holders         | No. of<br>Equity<br>Shares |
| 1.           | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year | 0                               | 0                          |
| 2.           | Aggregate number of shareholders and the outstanding shares transferred in Suspense Account during the year            | 1                               | 30                         |
| 3.           | Less: Number of shareholders who approached and shares were transferred from Suspense Account during the year          | 0                               | 0                          |
| 4.           | Less: Number of shareholders whose shares were transferred from Suspense Account to IEPFA during the year              | 0                               | 0                          |
| 5.           | Aggregate number of shareholders and the outstanding shares lying in Suspense Account at the end of the year           | 1                               | 30                         |

In view of the aforesaid, the voting rights on these shares transferred to SEDA shall remain frozen till the rightful owner of such shares claims the shares.

**Market Price Data for the Shares of Face Value Rs. 10 each is as under:**

| Month and Year  | Gokak High | Gokak Low | No. of shares | BSE Index High | BSE Index Low |
|-----------------|------------|-----------|---------------|----------------|---------------|
| April' 2024     | 250.05     | 112.05    | 1,33,507      | 75,124.28      | 71,816.46     |
| May' 2024       | 235.00     | 159.10    | 82,163        | 75,124.28      | 71,866.01     |
| June' 2024      | 172.50     | 127.50    | 38,774        | 76,009.68      | 70,234.43     |
| July' 2024      | 188.90     | 146.05    | 27,830        | 79,671.58      | 78,971.79     |
| August' 2024    | 197.95     | 155.00    | 30,972        | 81,908.43      | 78,295.86     |
| September' 2024 | 276.00     | 185.40    | 3,05,908      | 82,637.03      | 80,895.05     |
| October' 2024   | 247.70     | 182.25    | 31,461        | 85,978.25      | 79,137.98     |
| November' 2024  | 227.90     | 163.90    | 91,128        | 84,648.40      | 76,802.73     |
| December' 2024  | 183.40     | 154.00    | 96,908        | 80,569.73      | 77,560.79     |
| January' 2025   | 165.00     | 90.15     | 1,16,391      | 82,317.74      | 75,267.59     |
| February' 2025  | 93.29      | 65.56     | 1,44,501      | 80,072.99      | 73,141.27     |
| March' 2025     | 88.19      | 59.66     | 1,49,589      | 78,735.41      | 72,633.54     |

**Registrars and Share Transfer Agents:**

The Company has appointed MUFG Intime India Private Limited (MUFG) as its Registrar & Share Transfer Agents, Shareholders are requested to approach TSR CPL on the following address for any query and problems related to shares held in Physical form:

MUFG Intime India Private Limited  
 (Formerly known as Link Intime India Private Limited) Unit: Gokak Textiles Ltd.  
 C 101, Embassy 247, L.B.S Marg,  
 Vikhroli (West), Mumbai - 400083. Tel: +91 810 811 8484  
 Email: csg-unit@in.mpms.mufg.com  
 Website: https://in.mpms.mufg.com/

### Share Transfer system:

The Stakeholders Relationship Committee of the Board of Directors of the Company inter alia monitors Share Transfers/ Deletion of Name/s/Transposition of Name/s, Transmission, dematerialization and re-materialization of shares. Shares of the Company are traded compulsorily in dematerialized form.

SEBI, vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated Listed Companies to issue securities in dematerialised form only while processing service requests viz. Issue of duplicate securities certificate; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition.

Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website, [www.gokaktextiles.com](http://www.gokaktextiles.com) and on the website of the Company's RTA at <https://linkintime.co.in/>. It may be noted that any service request can be processed only after the folio is KYC compliant.

Request for dematerialization of shares are processed by RTA and confirmation is given to the respective depositories i.e. NSDL and CDSL, within the statutory time limit from the date of receipt of share certificates after due verification.

The shareholders holding shares in physical forms are requested to get their shares dematerialised to avoid any inconvenience in the future while transferring their shares.

### Distribution of Shareholding as at March 31, 2025

| Category                           | No. of Shares    | Percentage to Paid-up capital |
|------------------------------------|------------------|-------------------------------|
| Promoters                          | 47,80,845        | 73.56                         |
| Central/State Government(s)        | 55,171           | 0.85                          |
| Financial Institutions / Banks     | 9,760            | 0.15                          |
| Bodies Corporate                   | 67,881           | 1.04                          |
| Insurance Companies                | 2,91,951         | 4.49                          |
| Mutual Funds / UTI                 | 181              | 0.00                          |
| FII's/ NRI's/ OCB/ Foreign Company | 64,065           | 0.99                          |
| Public                             | 12,29,454        | 18.92                         |
| <b>Total</b>                       | <b>64,99,308</b> | <b>100.00</b>                 |

### Distribution by size of holding as at March 31, 2025

| Range Start            | Range End               | Total Shares     | % Percentage of Issued Capital | Total Number | % of Total Shareholders |
|------------------------|-------------------------|------------------|--------------------------------|--------------|-------------------------|
| of Equity Shareholders | % of Total Shareholders | 4,22,872         | 6.5064                         | 8,589        | 96.3865                 |
| 1                      | 500                     | 4,41,239         | 6.7890                         | 8,897        | 96.1734                 |
| 501                    | 1000                    | 1,33,286         | 2.0508                         | 181          | 1.9565                  |
| 1001                   | 2000                    | 1,23,956         | 1.9072                         | 83           | 0.8972                  |
| 2001                   | 3000                    | 64,382           | 0.9906                         | 26           | 0.2811                  |
| 3001                   | 4000                    | 49,085           | 0.7552                         | 14           | 0.1513                  |
| 4001                   | 5000                    | 58,435           | 0.8991                         | 13           | 0.1405                  |
| 5001                   | 10000                   | 1,10,034         | 1.6930                         | 14           | 0.1513                  |
| <b>10001</b>           | <b>Above 10001</b>      | <b>55,18,891</b> | <b>84.9151</b>                 | <b>23</b>    | <b>0.2486</b>           |
| <b>Total</b>           |                         | <b>64,99,308</b> | <b>100.00</b>                  | <b>9,251</b> | <b>100.00</b>           |

**Status of dematerialisation of shares and liquidity as on March 31, 2025:**

| Details                                             | No. of shareholders | No. of shares | Percentage to paid up Capital |
|-----------------------------------------------------|---------------------|---------------|-------------------------------|
| National Securities Depository Limited. (NSDL)      | 3,074               | 57,63,031     | 89.94                         |
|                                                     | 88.67               | 4,29,669      | 6.61                          |
| Central Depository Services (India) Limited. (CDSL) | 2,328               | 5,19,028      | 7.99                          |
| Total Dematerialised                                | 5,402               | 62,82,059     | 96.66                         |
| Physical                                            | 3,849               | 2,17,249      | 3.34                          |
| Total                                               | 9,251               | 64,99,308     | 100                           |

**Outstanding Employee Stock options, GDRs, ADRs, etc.**

The Company has not issued any GDRs/ADRs/Warrants. There are no outstanding Foreign Currency Convertible Bonds ("FCCBs") and Employee Stock Options.

No funds were raised during the year through preferential allotment or qualified institutional placement.

**Commodity price risk or Foreign exchange risk and hedging activities**

The Company is exposed to risk fluctuations of cotton prices. It is exposed to foreign exchange risk on account of import and export transactions entered. The Company is proactively mitigating foreign exchange risk by reviewing the foreign exchange exposure at regular intervals. The Company does not undertake any commodity hedging activities.

**Credit Rating**

Credit ratings obtained along with revisions thereto during FY 2024-2025, for all debt instruments in India. – Credit rating was not taken in the FY 2024-2025.

**Plant Locations:****Mills Division :**

Gokak Falls – 591308, Dist. Belgavi, Karnataka State

**Knitwear Unit:**

Bagalkot Road, Marihal Village, Dist. Belgavi, Karnataka State 591167.

**Solar Unit:**

Gokak Falls – 591308, Dist. Belgavi, Karnataka State

**Disclosure of Non-Compliance with Corporate Governance Requirement:**

There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY 2024 – 2025 except for which are mentioned in the Certificate dated May 21, 2025, issued by M/s. KDSH & Associates LLP, Practicing Company Secretaries on compliances with the corporate governance requirements by the Company and the details of which are also mentioned in the Corporate Governance Report under the head Statutory Compliances.

The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46:

The Company has complied the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 for the FY 2024 – 2025 except for which are mentioned in the secretarial audit report / Certificate dated May 21, 2025, issued by M/s. KDSH & Associates LLP, Practicing Company Secretaries on compliances with the corporate governance requirements by the Company.

**Address for Correspondence:**

Shareholders holding shares in physical mode are requested to direct all equity shares related correspondence /queries to Link Intime India Private Limited and only the non-shares related correspondence and complaints regarding LIPL should be addressed to the Compliance Officer at the registered office of the Company. Shareholders holding shares in electronic mode (dematerialized form) should address all shares related correspondence to their respective Depository Participants only.

**Auditors' Certificate:**

- (i) The Certificate dated May 21, 2025, issued by M/s. KDSH & Associates LLP, Practicing Company Secretaries on compliances with the corporate governance requirements by the Company is annexed to this Report.
- (ii) Certificate dated May 21, 2025, issued by M/s. KDSH & Associates LLP, Practicing Company Secretaries certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this Report.

The Corporate Governance Report was adopted by the Board of Directors at its meeting held on May 23, 2025 as a part of Board's Report.

**DECLARATION UNDER REGULATION 26(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

As provided under Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the code of conduct for Board of Directors and Senior Management for the year ended March 31, 2025.

For **Gokak Textiles Limited**

**Gautam V. Kumtakar**  
Managing Director & Chief Executive Officer  
DIN : 09791999

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
Members of **GOKAK TEXTILES LIMITED**  
#1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross Ideal Homes, Near Jayanna Circle,  
Rajarajeshwari Nagar, Bangalore -560098

We have examined the compliance of conditions of Corporate Governance by Gokak Textiles Limited (CIN: L17116KA2006PLC038839) ("the Company") for the purpose of certifying of the Corporate Governance compliance certificate under Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period 1<sup>st</sup> April 2024 to 31<sup>st</sup> March, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in Regulation 17 to 27 (Listing Obligations and Disclosure Requirements) Regulations, 2015 except Regulation 17(1) , 18(1) and 19(1) pursuant to Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director and Independent Directors and not properly constituted Committees as per regulatory requirements.

We have been advised that the Company had initiated the process of identification and selection of woman and independent directors who were experienced and were long serving professional /experts in the field the company operated.

The Company informed us that after due process woman director was appointed w.e.f August 13, 2024 and one independent director was appointed w.e.f January 24, 2025 and another one on May 08, 2025 respectively.

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

Place: Bangalore

Date: 21.05.2025

For KDSH & Associates LLP

**Kiran Desai**

Designated Partner

FCS10056| CP No: 12924

UDIN: F010056G000394363

Peer Review Certificate Number 2406/2022

**Annexure A****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**GOKAK TEXTILES LIMITED**  
#1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross Ideal Homes,  
Near Jayanna Circle, Rajarajeshwari Nagar  
Bangalore-560098

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gokak Textiles Limited having CIN L17116KA2006PLC038839 and having registered office at #1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Bangalore-560098 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr No | Name of the Director      | DIN      | Date of Appointment in the company |
|-------|---------------------------|----------|------------------------------------|
| 1     | Nikhil Jaysinh Bhatia     | 00414281 | 22/05/2019                         |
| 2     | Vinod Bhandawat           | 02873571 | 15/01/2021                         |
| 3     | Gautam Vasant Kumtakar    | 09791999 | 08/01/2024                         |
| 4     | Sunita Khanna             | 01713143 | 13/08/2024                         |
| 5     | Ganesan Rajamani Rajamani | 07615445 | 24/01/2025                         |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bangalore

Date: 21/05/2025

For KDSH & Associates LLP

**Kiran Desai**

Designated Partner

FCS10056| CP No: 12924

UDIN: F010056G000394319

Peer Review Certificate Number 2406/2022

**STANDALONE AND CONSOLIDATED  
FINANCIAL STATEMENTS FORMING PART OF  
ANNUAL REPORT OF  
GOKAK TEXTILES LIMITED  
FOR THE YEAR ENDED MARCH 31, 2025**

## INDEPENDENT AUDITORS' REPORT

To the Members of Gokak Textiles Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Gokak Textiles Limited** ("the Company") which comprise the standalone balance sheet as at March 31, 2025, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to Note 48 of the standalone financial statements, which indicates that the Company has incurred a net loss for the year ended March 31, 2025 and that its current liabilities exceeded its current assets as at that date. The Company has accumulated significant losses and its net worth has been fully eroded. These conditions, along with reduced operations and increased financial stress, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the standalone financial statements have been prepared on a going concern basis of accounting based on the reasons stated in the said Note. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the standalone financial statements of the current period. Those matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

| 1. Impairment testing of investment in equity shares of subsidiary<br>(Refer Note 6A of the standalone financial statements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of Key Audit Matter:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | How the matter was addressed in our audit:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>The Company has investment of Rs. 2,499.00 lakhs in the equity shares of Gokak Power &amp; Energy Limited ('GPEL') which represents 51% of its equity capital. GPEL is engaged in the business of generation and distribution of hydro power and significant portion of power generated by GPEL is used by the Company for its textile factory.</p> <p>Investments in subsidiaries are valued at cost adjusted for impairment losses, if any. In line with "Ind AS 36 Impairment of assets", in the presence of an impairment indicator, the Company carries out an impairment test by comparing the recoverable amount of the investments, determined according to the value in use method and their carrying amount.</p> <p>GPEL has accumulated losses of ₹ 3,274.33 lakhs as on March 31, 2025 which indicates that the investment in GPEL could be impaired and requires impairment testing.</p> <p>The valuation process adopted by management is complex and is based on a series of assumptions, such as the forecast cash flows, the appropriate discounting rate (WACC) and the long-term growth rate. These assumptions are, by nature, influenced by future expectations regarding the evolution of external market conditions.</p> <p>We focused on this area due to the significance of management judgements adopted in assessing the recoverable amount with regard to the impairment assessment.</p> | <p>We analysed the methods and assumptions applied by management to carry out the impairment test through following procedures:</p> <ul style="list-style-type: none"> <li>• Identification and understanding of the significant controls implemented by the Company over the impairment testing process;</li> <li>• Analysis of the reasonableness of the principal assumptions made to estimate their cash flows by obtaining information from management that we deemed to be significant;</li> <li>• We also examined the adequacy of the information provided by the Company about the impairment test and its consistency with the requirements of Ind AS 36;</li> <li>• Analysis of actual data of the year and previous years in comparison with the original plan, in order to assess the nature of variances and the reliability of the planning process;</li> <li>• Assessment of the reasonableness of the discount rate (WACC) and the long-term growth rate;</li> <li>• Verification that the carrying amount of the investment was determined properly and comparison with the value in use resulting from the impairment test.</li> </ul> |
| 2. Going Concern Assessment<br>(Refer Note 48 of the standalone financial statements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Description of Key Audit Matter:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | How the matter was addressed in our audit:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p>The Company has incurred a net loss (including other comprehensive income) of Rs. 4,524.53 lakhs for the year ended March 31, 2025 and its current liabilities exceeded its current assets by Rs. 3,897.19 lakhs as at that date. The Company has significant accumulated losses of Rs. 22,870.02 lakhs, and its net worth has been fully eroded. These conditions, along with reduced operations and increased financial stress, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.</p> <p>We focused on this area due to the significance of management judgements adopted in assessment of the going concern assumption for the preparation of standalone financial statement and related material uncertainties.</p> <p>Refer above paragraph on "Material Uncertainty Related to Going Concern"</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>We performed the following principal audit procedures in relation to management's assessment of going concern:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of management's use of going concern basis of accounting in the preparation of standalone financial statements in accordance with Standard on Auditing issued by ICAI in this regard.</li> <li>• Evaluated the management's plans for future actions in relation to its going concern assessment, to assess whether the outcome of those plans is likely to improve the situation and whether management's plans are feasible in the circumstances.</li> <li>• Evaluated the appropriateness of identification of material uncertainties.</li> <li>• Assessed the possible mitigating actions identified by management in the event that actual cash flows are below forecast.</li> </ul>                                                                                                                                                                                                                                                                    |



|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>Discussed with management and assessed, the possible effect of liquidity stress in textile segment and its possible effect on the solar segment</li> <li>Discussed and obtained a written letter from the holding company indicating its intention and ability to support the Company's financial and operating requirements through infusion or arrangement of additional capital / funds as and when necessary.</li> <li>Evaluated disclosures in the financial statements for the Material Uncertainty Related to Going Concern and the related compliance with the requirements of the Standards on Auditing and the applicable financial reporting standards.</li> </ul> |
|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### 3. Impairment testing of Property, Plant and Equipment (Refer Note 3, Note 30(iii) and Note 53 of the standalone financial statements)

| Description of Key Audit Matter:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How the matter was addressed in our audit:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>As at March 31, 2025, the carrying amounts of Property Plant and Equipment ("PPE") amounted to Rs. 21,793.70 lakhs, significant part which comprise of Rs. 18,022.95 lakhs pertaining to solar power plant ("Solar Plant") and balance pertains to the textile division of the Company.</p> <p>Certain PPE had impairment indicators on account of reduced turnover and financial condition of the Company. Also refer above paragraph on "Material Uncertainty Related to Going Concern".</p> <p>Further, during the last quarter of the financial year ended March 31, 2025, the Company's Solar Plant experienced five fire incidents, on January 16, February 3, February 15, March 4, and March 6, 2025 which impacted upto 20MW capacity of the Plant which was later restored upto 35MW as at March 31, 2025 and the balance capacity was under restoration. Subsequent to the financial year end, the Solar Plant again suffered failure in one of the transformers impacting 15MW as at May 13, 2025.</p> <p>The Company carries out impairment testing, based on indicators of impairment. For cash generation units ("CGU") to which these PPE belong and contain, the determination of recoverable amount, being the higher of fair value less costs to sell and value in use requires judgment on the part of management in both identifying and then valuing the relevant CGUs. Recoverable amounts are based on various variables which requires significant management judgement and estimation.</p> <p>We focused on this area due to the significance of management judgements adopted in assessing the recoverable amount with regard to the impairment assessment.</p> | <p>We performed the following principal audit procedures in relation to management's testing of impairment of PPE:</p> <ul style="list-style-type: none"> <li>Identification and understanding of the significant controls implemented by the Company over the impairment testing process;</li> <li>Understanding the restoration plans for certain assets along with physical verification of the PPE location and evaluation of the current status of the assets.</li> <li>Analysis of the reasonableness of the principal assumptions made to estimate the recoverable amounts by obtaining information from management that we deemed to be significant;</li> <li>Analysis of actual data of the year and previous years in comparison with the original plan, in order to assess the nature of variances and the reliability of the planning process;</li> <li>We also examined the adequacy of the information provided by the Company about the impairment test and its consistency with the requirements of Ind AS 36.</li> </ul> |

### **Information other than the standalone financial statements and auditor's report thereon**

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income/loss, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph '2.(j)vi.' below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) The matter described in the 'Material Uncertainty Related to Going Concern' section above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors of the Company as on March 31, 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph '2.(b)' above on reporting under Section 143(3)(b) of the Act and paragraph '2.(j)vi.' below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - i) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16), as amended, in our opinion and to the best of our knowledge and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 44 of the standalone 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, other than those disclosed in the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.
  - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in case of one software used for maintaining closing stock quantities of inventory and one software used for maintaining payroll records did not have audit trail feature throughout the year. Further, in respect software, for which audit trail existed, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail pertaining to the software for which it existed, has been preserved by the Company as per the statutory requirements for record retention.

**For BATLIBOI & PUROHIT**

Chartered Accountants  
ICAI Firm Reg. No.101048W

**N. S. Gaur**

Partner  
Membership No. 137138  
ICAI UDIN: 25137138BMGGHQ9757

Place : Mumbai

Date : May 23, 2025

**Annexure - A to the Independent Auditors' Report**

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Gokak Textiles Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As informed to us, the Company has a program for physical verification of fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program certain fixed assets have been verified by the Management and we were informed that no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties disclosed in the standalone financial statements included in property, plant and equipment, capital work-in progress and Investment property, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

|                                                           |                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of the property:                              | Land                                                                                                                                                                                                                                                                                                                                          |
| Gross cost and carrying amount As at March 31, 2025       | ₹ 4.91 lakhs                                                                                                                                                                                                                                                                                                                                  |
| Held in the name of:                                      | Gokak Patel Volkart Limited                                                                                                                                                                                                                                                                                                                   |
| Whether promoter, director or their relative or employee: | No                                                                                                                                                                                                                                                                                                                                            |
| Period held since:                                        | 1992                                                                                                                                                                                                                                                                                                                                          |
| Reason for not being in the name of the Company:          | The title deeds were held in the name of erstwhile Gokak Patel Volkart Limited which amalgamated into Forbes Gokak Limited and subsequently, was demerged into Gokak Textiles Limited. The Company is still in the process of transferring the title in the name of Company which are under litigation due to certain disputed legal matters. |

- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated, or were pending, during the year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory during the year. In our opinion, with regards to the nature and size of its inventories, the frequency is reasonable and the coverage and procedure of such physical verification carried out during the year were appropriate. Discrepancies noted during such physical verification were less than 10% of respective inventory classes. All discrepancies noted during the year were properly dealt with in the books of account.
- (b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any bank or financial institution on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.
- (iii) During the year, the Company has not made any investments or provided any advance in the nature of loans or stood guarantee or provided any security to any other entity during the year. The Company has outstanding loans granted to its subsidiary (by way of novation) in prior years, in respect of which:
- (a) (A) Aggregate amount of additional loans granted during the year was Rs. Nil and balance outstanding in respect of such loan as on balance sheet date was Rs. 5,491.57 lakhs (including interest accrued).
- (b) (B) The Company has not granted any loans to parties other than the said subsidiary during the year

- (b) In our opinion and according to the information and explanations given to us, the terms and conditions of the loan granted to the subsidiary (by way of novation) is not, prima-facie, prejudicial to the Company's interest.
- (c) According to the information and explanations given to us, the loan granted to the subsidiary (by way of novation), is demand loan and no schedule of repayment of principal and payment of interest has been stipulated. According to the information and explanations given to us, the repayments has been received as and when demanded by the Company during the year.
- (d) According to the information and explanations given to us, the loan granted to the subsidiary (by way of novation), is demand loan and no amount was overdue in respect of the loans outstanding during the year.
- (e) According to the information and explanations given to us and on the basis of our audit procedures, no loans had been renewed or extended or fresh loans granted to settle the dues of existing loans given to same parties.
- (f) In our opinion and according to the information and explanations given to us, during the year, the Company has not granted any additional loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the outstanding loans given (by way of novation) to its subsidiary. The Company has not made any investment, given any guarantee or security covered under Section 185 and 186 of the Act.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (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, we are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (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 Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at the year ended for a period of more than six months from the date, they became payable.

- (b) According to the information and explanations given to us, dues of Income tax, Excise duty and Goods and Service tax which have not been deposited by the Company on account of disputes are given below:

| Name of the Statute                                           | Nature of Dues          | Forum where dispute is pending                                   | Period to which the amount relates | Amount unpaid (₹ in lakhs)* |
|---------------------------------------------------------------|-------------------------|------------------------------------------------------------------|------------------------------------|-----------------------------|
| The Karnataka Special Tax on Entry of Certain Goods Act, 2004 | Entry Tax               | High Court of Karnataka, Bangalore                               | October 2004 to March 2007         | 114.58                      |
| The Excise Duty Act, 1944                                     | Duty of excise          | The Central Excise and Service Tax Appellate Tribunal, Mangalore | F.Y. 2004-05 and F.Y. 2005-06      | 32.62                       |
| The Excise Duty Act, 1944                                     | Duty of excise          | The Supreme Court of India                                       | December 2004 to May 2005          | 110.38                      |
| The Karnataka Stamps Act, 1957                                | Property Tax            | High Court of Karnataka, Bangalore                               | F.Y. 2023-2024 and F.Y. 2024-2025  | 131.94                      |
| Finance Tax 1994                                              | Service Tax and Penalty | High Court of Karnataka, Bangalore                               | F.Y 2015-16                        | 63.72                       |

\*Net of amounts paid in protest.

- (viii) According to the information and explanations given to us, there were no transactions to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not defaulted in repayment of principal or payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, funds raised on short term basis have not been utilised for long term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has taken loan (by way of novation) in prior years from its parent to meet the obligations of its subsidiary, details of which are as follows:

| Nature of loan                                        | Name of Lender                               | Amount involved* (₹ in lakhs) | Purpose                   | Remarks                                                                                                                                                                                                                |
|-------------------------------------------------------|----------------------------------------------|-------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Perpetual Loan (Instrument entirely equity in nature) | Shapoorji Pallonji & Company Private Limited | 5,491.57                      | General Corporate purpose | The above loan obtained from parent (by way of novation) has been subsequently converted into perpetual loan classified as instrument entirely equity in nature. Refer Note 6B of the standalone financial statements. |

\*Closing balance of loans outstanding from the subsidiary as at March 31, 2025.

- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not raised loans during the year on pledge of securities held in its subsidiary. The Company did not have any joint ventures or associate companies.
- (x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us and to the best of our knowledge no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this Report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the audit procedures performed by us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report for the period under audit.

- (xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
  - (c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
  - (d) According to the information and explanations given to us, the 'Group' (as defined under the Core Investment Companies (Reserve Bank) Direction 2016) has two Core Investment Companies (CICs) as part of the 'Group'.
- (xvii) According to the information and explanations given to us and based on audit procedures performed by us, the Company has incurred cash losses of Rs. 2,630.64 lakhs in the current financial year and cash losses of Rs. 564.41 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of our comments under the 'Material Uncertainty Related to Going Concern' section of our audit report on the audit of the standalone financial statements of the Company, our analysis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, in our opinion, a material uncertainty exists that may cast a significant doubt about the Company's ability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xxi) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

**For BATLIBOI & PUROHIT**

Chartered Accountants  
ICAI Firm Reg. No.101048W

**N. S. Gaur**

Partner  
Membership No. 137138  
ICAI UDIN: 25137138BMGGHQ9757

Place : Mumbai

Date : May 23, 2025



## Annexure - B to the Auditors' Report

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the standalone financial statements of **Gokak Textiles Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone 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 with reference to standalone financial statements based on the internal controls with reference to standalone financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, 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 with reference to standalone financial statements of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to standalone financial statements.

#### Meaning of Internal Financial Controls with reference to the standalone financial statements

A company's Internal Financial Control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the standalone financial statements 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 the 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 standalone financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, 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 with reference to the standalone financial

statements to future periods are subject to the risk that the internal financial control with reference to the standalone financial statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at March 31 2025, based on the criteria for internal control with reference to the standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For BATLIBOI & PUROHIT**

Chartered Accountants  
ICAI Firm Reg. No.101048W

### **N. S. Gaur**

Partner  
Membership No. 137138  
ICAI UDIN: 25137138BMGGHQ9757

Place : Mumbai

Date : May 23, 2025

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2025**

| Particulars                              | Note No. | As at<br>March 31, 2025<br>(₹ in Lakhs) | As at<br>March 31, 2024<br>(₹ in Lakhs) |
|------------------------------------------|----------|-----------------------------------------|-----------------------------------------|
| <b>Assets</b>                            |          |                                         |                                         |
| <b>1 Non-current assets</b>              |          |                                         |                                         |
| a) Property, Plant and Equipment         | 3        | 21,793.70                               | 23,514.57                               |
| b) Capital work-in-progress              | 3A       | -                                       | 0.54                                    |
| c) Right of use Assets                   | 3B       | 2.14                                    | 4.31                                    |
| d) Investment Property                   | 4        | -                                       | -                                       |
| e) Intangible assets                     | 5        | 3.14                                    | 4.95                                    |
| <b>f) Financial Assets:</b>              |          |                                         |                                         |
| i) Investments                           |          |                                         |                                         |
| a) Investments in Subsidiary             | 6A       | 2,499.00                                | 2,499.00                                |
| b) Other Investments                     | 6A       | 0.03                                    | 0.03                                    |
| ii) unsecured loan to subsidiary         | 6B       | 5,491.57                                | 5,990.57                                |
| iii) Other financial assets              | 8A       | 137.04                                  | 1,415.13                                |
| g) Tax assets                            |          |                                         |                                         |
| i) Deferred tax assets (net)             | 18       | -                                       | -                                       |
| ii) Income tax assets (net)              | 21       | 130.31                                  | 152.08                                  |
| h) Other non-current assets              | 11A      | 548.42                                  | 571.32                                  |
| <b>Total Non-current assets</b>          |          | <b>30,605.35</b>                        | <b>34,152.50</b>                        |
| <b>2 Current assets</b>                  |          |                                         |                                         |
| a) Inventories                           | 9        | 1,135.12                                | 1,281.75                                |
| <b>b) Financial Assets:</b>              |          |                                         |                                         |
| i) Trade receivables                     | 7        | 655.89                                  | 1,149.32                                |
| ii) Cash and cash equivalents            | 10 A     | 255.64                                  | 683.04                                  |
| iii) Bank balances other than (ii) above | 10 B     | 2.74                                    | 124.82                                  |
| iv) Other financial assets               | 8B       | 51.71                                   | 17.54                                   |
| c) Other current assets                  | 11B      | 38.44                                   | 64.80                                   |
| d) Assets classified as held for sale    | 12       | 378.51                                  | 436.31                                  |
| <b>Total Current assets</b>              |          | <b>2,518.05</b>                         | <b>3,757.58</b>                         |
| <b>Total Assets</b>                      |          | <b>33,123.40</b>                        | <b>37,910.08</b>                        |

| Particulars                                                            | Note No. | As at<br>March 31, 2025<br>(₹ in Lakhs) | As at<br>March 31, 2024<br>(₹ in Lakhs) |
|------------------------------------------------------------------------|----------|-----------------------------------------|-----------------------------------------|
| <b>Equity and Liabilities</b>                                          |          |                                         |                                         |
| <b>Equity</b>                                                          |          |                                         |                                         |
| a) Equity share capital                                                | 13A      | 649.93                                  | 649.93                                  |
| b) Instruments entirely equity in nature                               | 14A      | 15,392.97                               | 14,882.97                               |
| c) Other equity                                                        | 14B      | (16,465.70)                             | (11,941.17)                             |
| <b>Total Equity</b>                                                    |          | <b>(422.80)</b>                         | <b>3,591.73</b>                         |
| <b>Liabilities</b>                                                     |          |                                         |                                         |
| 1 Non-current liabilities                                              |          |                                         |                                         |
| a) Financial liabilities:                                              |          |                                         |                                         |
| i) Borrowings                                                          | 15       | 26,469.99                               | 24,386.57                               |
| ii) Lease Liabilities                                                  |          | 5.16                                    | 5.58                                    |
| iii) Other financial liabilities                                       | 16A      | -                                       | 162.50                                  |
|                                                                        |          | <b>26,475.15</b>                        | <b>24,554.65</b>                        |
| b) Provisions                                                          | 17A      | 655.82                                  | 621.71                                  |
| <b>Total Non-current liabilities</b>                                   |          | <b>27,130.97</b>                        | <b>25,176.36</b>                        |
| 2 Current liabilities                                                  |          |                                         |                                         |
| a) Financial liabilities:                                              |          |                                         |                                         |
| i) Borrowings                                                          | 15       | 2,156.90                                | 1,552.53                                |
| ii) Lease Liabilities                                                  |          | 0.42                                    | 3.84                                    |
| iii) Trade Payables                                                    | 20       |                                         |                                         |
| -dues to Micro and Small Enterprises                                   |          | 84.33                                   | 13.18                                   |
| -dues to other Creditors                                               |          | 2,167.36                                | 1,734.92                                |
| iv) Other financial liabilities                                        | 16B      | 920.94                                  | 5,018.39                                |
|                                                                        |          | <b>5,329.95</b>                         | <b>8,322.86</b>                         |
| b) Provisions                                                          | 17B      | 122.51                                  | 130.99                                  |
| c) Other current liabilities                                           | 19       | 962.78                                  | 688.14                                  |
|                                                                        |          | 6,415.24                                | 9,141.99                                |
| <b>Total Current Liabilities</b>                                       |          | <b>6,415.24</b>                         | <b>9,141.99</b>                         |
| <b>Total Liabilities</b>                                               |          | <b>33,546.20</b>                        | <b>34,318.35</b>                        |
| <b>Total Equity and Liabilities</b>                                    |          | <b>33,123.40</b>                        | <b>37,910.08</b>                        |
| Accompanying notes forming part of the standalone financial statements | 1 to 55  |                                         |                                         |

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipin Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD & CEO)

(DIN: 09791999)

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025**

| Particulars                                                            |                                                                  | Note No. | Year Ended<br>March 31, 2025<br>(₹ in Lakhs) | Year ended<br>March 31, 2024<br>(₹ in Lakhs) |
|------------------------------------------------------------------------|------------------------------------------------------------------|----------|----------------------------------------------|----------------------------------------------|
| I                                                                      | Revenue from operations                                          | 22       | 8,975.88                                     | 12,746.88                                    |
| II                                                                     | Other income                                                     | 23       | 806.02                                       | 715.45                                       |
| III                                                                    | <b>Total Income</b>                                              |          | <b>9,781.90</b>                              | <b>13,462.33</b>                             |
| IV                                                                     | <b>Expenses:</b>                                                 |          |                                              |                                              |
|                                                                        | Cost of materials consumed                                       | 24       | 3,448.00                                     | 6,228.83                                     |
|                                                                        | Changes in inventories of finished goods and work-in-progress    | 25       | 159.53                                       | 213.05                                       |
|                                                                        | Employee benefits expense                                        | 26       | 2,580.78                                     | 2,911.39                                     |
|                                                                        | Finance costs                                                    | 27       | 2,956.17                                     | 2,501.54                                     |
|                                                                        | Depreciation and amortisation expense                            | 28       | 1,897.06                                     | 1,968.60                                     |
|                                                                        | Other expenses                                                   | 29       | 2,107.12                                     | 2,334.57                                     |
|                                                                        | <b>Total expenses</b>                                            |          | <b>13,148.66</b>                             | <b>16,157.98</b>                             |
| V                                                                      | <b>Profit / (Loss) before exceptional items and tax</b>          |          | <b>(3,366.76)</b>                            | <b>(2,695.65)</b>                            |
| VI                                                                     | Exceptional items (Income / (Expenses))                          | 30       | <b>(1,213.36)</b>                            | <b>938.95</b>                                |
| VII                                                                    | <b>Profit / (Loss) before tax</b>                                |          | <b>(4,580.12)</b>                            | <b>(1,756.70)</b>                            |
| VIII                                                                   | <b>Tax expense:</b>                                              |          |                                              |                                              |
|                                                                        | (a) Current tax                                                  |          | -                                            | -                                            |
|                                                                        | (b) Deferred tax                                                 |          | -                                            | -                                            |
|                                                                        |                                                                  |          | -                                            | -                                            |
| IX                                                                     | <b>Profit / (Loss) for the year</b>                              |          | <b>(4,580.12)</b>                            | <b>(1,756.70)</b>                            |
| X                                                                      | <b>Other Comprehensive Income</b>                                |          |                                              |                                              |
|                                                                        | <b>(a) Items that will not be reclassified to profit or loss</b> |          |                                              |                                              |
|                                                                        | Remeasurement of the defined benefit plans                       |          | 55.59                                        | 75.94                                        |
|                                                                        | <b>Other Comprehensive Income</b>                                |          | <b>55.59</b>                                 | <b>75.94</b>                                 |
|                                                                        |                                                                  |          |                                              |                                              |
| XI                                                                     | <b>Total Comprehensive loss for the year</b>                     |          | <b>(4,524.53)</b>                            | <b>(1,680.76)</b>                            |
| XII                                                                    | <b>Earning per equity share : (Face value of ₹ 10)</b>           | 31       |                                              |                                              |
|                                                                        | Basic and diluted earnings per equity share                      |          | ₹ (70.47)                                    | ₹ (27.03)                                    |
| Accompanying notes forming part of the standalone financial statements |                                                                  | 1 to 55  |                                              |                                              |

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipin Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD &amp; CEO)

(DIN: 09791999)

## STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

| PARTICULARS |                                                                        | Year ended<br>March 31, 2025<br>(₹ in Lakhs) | Year ended<br>March 31, 2024<br>(₹ in Lakhs) |
|-------------|------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>A.</b>   | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                             |                                              |                                              |
|             | Profit / (Loss) before tax                                             | (4,580.12)                                   | (1,756.70)                                   |
|             | <b>Adjustments for:</b>                                                |                                              |                                              |
|             | Depreciation and amortisation                                          | 1,897.06                                     | 1,968.60                                     |
|             | Interest income                                                        | (425.02)                                     | (537.25)                                     |
|             | Finance cost                                                           | 2,956.17                                     | 2,501.54                                     |
|             | (Gain) / Loss on sale of fixed assets                                  | (145.20)                                     | 13.69                                        |
|             | Credit balances / excess provision written back                        | (0.56)                                       | (3.46)                                       |
|             | Write Back of litigation provisions                                    | -                                            | (938.95)                                     |
|             | Debt refinancing cost                                                  | 879.63                                       | -                                            |
|             | Provision for Doubtful Debts (net of recoveries)                       | 0.10                                         | 93.75                                        |
|             | <b>Operating profit / (loss) before working capital changes</b>        | <b>582.06</b>                                | <b>1,341.22</b>                              |
|             | Adjustments for :                                                      |                                              |                                              |
|             | (Increase)/ Decrease in Inventories                                    | 146.63                                       | 289.45                                       |
|             | (Increase)/ Decrease in Trade Receivables                              | 493.33                                       | 225.22                                       |
|             | (Increase)/ Decrease in Other Financial Assets                         | 1,243.92                                     | (58.84)                                      |
|             | (Increase)/ Decrease in Other Assets                                   | 49.26                                        | 28.86                                        |
|             | Increase/ (Decrease) in Trade payables                                 | 503.59                                       | (782.90)                                     |
|             | Increase/ (Decrease) in Other Financial Liabilities                    | 68.05                                        | 247.45                                       |
|             | Increase/ (Decrease) in Other Liabilities                              | 274.62                                       | (90.64)                                      |
|             | Increase/ (Decrease) in Provisions                                     | 81.78                                        | 10.20                                        |
|             | <b>Cash generated from operations</b>                                  | <b>3,443.24</b>                              | <b>1,210.02</b>                              |
|             | Direct Taxes (paid) / refund (net)                                     | 21.77                                        | (75.03)                                      |
|             | <b>Net cash flows from operating activities</b>                        | <b>3,465.01</b>                              | <b>1,134.99</b>                              |
| <b>B.</b>   | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                             |                                              |                                              |
|             | Purchase of fixed assets including CWIP                                | (172.46)                                     | (14.61)                                      |
|             | Proceeds from Sale of Fixed Assets including assets held for sale      | 131.80                                       | 35.06                                        |
|             | Net movement in bank balance not considered as cash & cash equivalents | 122.08                                       | (5.11)                                       |
|             | Advance received against sale of investment property                   | -                                            | 576.50                                       |
|             | Repayment of Loans (ICD) by subsidiary                                 | 823.83                                       | 135.00                                       |
|             | Interest Received                                                      | 100.19                                       | 116.06                                       |
|             | <b>Net cash flows from investing activities</b>                        | <b>1,005.43</b>                              | <b>842.90</b>                                |
| <b>C.</b>   | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                             |                                              |                                              |
|             | Proceeds from Borrowings                                               | 17,325.00                                    | 1,000.00                                     |
|             | Repayment of Borrowings                                                | (19,529.39)                                  | (972.71)                                     |
|             | Proceeds from instrument wholly equity in nature (perpetual debt)      | 510.00                                       | -                                            |
|             | Payment of lease liabilities                                           | (4.71)                                       | (4.50)                                       |
|             | Finance cost paid (including debt refinancing costs)                   | (3,198.75)                                   | (1,604.82)                                   |
|             | <b>Net cash flows from financing activities</b>                        | <b>(4,897.85)</b>                            | <b>(1,582.03)</b>                            |

| PARTICULARS |                                                             | Year ended<br>March 31, 2025<br>(₹ in Lakhs) | Year ended<br>March 31, 2024<br>(₹ in Lakhs) |
|-------------|-------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|             | <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> | <b>(427.41)</b>                              | <b>395.86</b>                                |
|             | Cash and Cash equivalents at the beginning of the year      | 683.04                                       | 287.18                                       |
|             | <b>Cash and Cash equivalents at the end of the period</b>   | <b>255.64</b>                                | <b>683.04</b>                                |
| <b>D.</b>   | <b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>              |                                              |                                              |
|             | Cash on Hand                                                | 1.67                                         | 2.28                                         |
|             | Balances with banks in current accounts                     | 253.97                                       | 680.77                                       |
|             |                                                             | <b>255.64</b>                                | <b>683.04</b>                                |

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

(₹ in lakhs)

| Particulars                               | As at<br>April 1, 2024 | Net Cash inflow/<br>(outflow) | Non cash<br>movement (net) | As at<br>March 31, 2025 |
|-------------------------------------------|------------------------|-------------------------------|----------------------------|-------------------------|
| Borrowings (including current maturities) | 25,939.10              | (2,756.18)                    | 5,443.98                   | 28,626.89               |
| <b>Total Borrowings</b>                   | <b>25,939.10</b>       | <b>(2,756.18)</b>             | <b>5,443.98</b>            | <b>28,626.89</b>        |

**Notes:**

- The Statement of Cash Flows has been prepared following the indirect method specified under Ind AS 7 - Statement of Cash Flows.
- Figures in brackets indicate cash outflow.
- Previous year's figures have been rearranged / regrouped wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipin Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD & CEO)

(DIN: 09791999)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

### A. Equity share Capital

Current reporting period

(₹ in Lakhs)

| Balance as at April 1, 2024 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance as at March 31, 2025 |
|-----------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|------------------------------|
| 649.93                      | -                                                          | 649.93                                                            | -                                                       | 649.93                       |

Previous reporting period

(₹ in Lakhs)

| Balance as at April 1, 2023 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance as at March 31, 2024 |
|-----------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|------------------------------|
| 649.93                      | -                                                          | 649.93                                                            | -                                                       | 649.93                       |

### B. Instruments entirely equity in nature- Perpetual Loans and Debentures

Current reporting period

(₹ in Lakhs)

| Balance as at April 1, 2024 | Changes in Instruments due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in Instruments during the current year | Balance as at March 31, 2025 |
|-----------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------|------------------------------|
| 14,882.97                   | -                                                 | 14,882.97                                                         | 510.00                                         | 15,392.97                    |

Previous reporting period

(₹ in Lakhs)

| Balance as at April 1, 2023 | Changes in Instruments due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in Instruments during the current year | Balance as at March 31, 2024 |
|-----------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------|------------------------------|
| 8,455.67                    | -                                                 | 8,455.67                                                          | 6,427.30                                       | 14,882.97                    |

### C. Other Equity

Current reporting period

(₹ in Lakhs)

| Particulars                                                        | Equity Components of Compound Financial Instruments | Reserves and surplus |                   |             | Amalgamation Adjustment Account | Total Other Equity |
|--------------------------------------------------------------------|-----------------------------------------------------|----------------------|-------------------|-------------|---------------------------------|--------------------|
|                                                                    |                                                     | General reserve      | Retained earnings | Total       |                                 |                    |
| Balance at April 01, 2024                                          | -                                                   | 7,160.32             | (18,345.49)       | (11,185.17) | (756.00)                        | (11,941.17)        |
| Changes in accounting policy or prior period items                 | -                                                   | -                    | -                 | -           | -                               | -                  |
| Restated balance at the beginning of the previous reporting period | -                                                   | 7,160.32             | (18,345.49)       | (11,185.17) | (756.00)                        | (11,941.17)        |
| Profit / (Loss) for the year                                       | -                                                   | -                    | (4,580.12)        | (4,580.12)  | -                               | (4,580.12)         |
| Other Comprehensive Income for the year                            | -                                                   | -                    | 55.59             | 55.59       | -                               | 55.59              |
| Total comprehensive income for the year                            | -                                                   | -                    | (4,524.53)        | (4,524.53)  | -                               | (4,524.53)         |
| Balance at March 31, 2025                                          | -                                                   | 7,160.32             | (22,870.02)       | (15,709.71) | (756.00)                        | (16,465.70)        |



Previous reporting period

(₹ in Lakhs)

| Particulars                                                           | Equity<br>Components<br>of<br>Compound<br>Financial<br>Instruments | Reserves and surplus |                      |             | Amalgamation<br>Adjustment<br>Account | Total Other<br>Equity |
|-----------------------------------------------------------------------|--------------------------------------------------------------------|----------------------|----------------------|-------------|---------------------------------------|-----------------------|
|                                                                       |                                                                    | General<br>reserve   | Retained<br>earnings | Total       |                                       |                       |
| Balance at April 01, 2023                                             | -                                                                  | 7,160.32             | (16,664.73)          | (9,504.41)  | (756.00)                              | (10,260.41)           |
| Changes in accounting policy or<br>prior period items                 | -                                                                  | -                    | -                    | -           |                                       | -                     |
| Restated balance at the beginning<br>of the previous reporting period | -                                                                  | 7,160.32             | (16,664.73)          | (9,504.41)  | (756.00)                              | (10,260.41)           |
| Profit / (Loss) for the year                                          | -                                                                  | -                    | (1,756.70)           | (1,756.70)  |                                       | (1,756.70)            |
| Other Comprehensive Income for<br>the year                            | -                                                                  | -                    | 75.94                | 75.94       |                                       | 75.94                 |
| Total comprehensive income for<br>the year                            | -                                                                  | -                    | (1,680.76)           | (1,680.76)  | -                                     | (1,680.76)            |
| Balance at March 31, 2024                                             | -                                                                  | 7,160.32             | (18,345.49)          | (11,185.17) | (756.00)                              | (11,941.17)           |

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD &amp; CEO)

(DIN: 09791999)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 1 Corporate Information

The Company was incorporated under the erstwhile Companies Act, 1956 under the name of ANS Textiles (Bangalore) Limited on March 27, 2006. The name was changed to Gokak Textiles Limited, with effect from January 23, 2007. As per the scheme of arrangement under the Companies Act, 1956, the Textile Division of erstwhile Forbes Gokak Limited (now known as Forbes & Company Limited) was transferred to Gokak Textiles Limited with effect from April 1, 2007. Suryoday One Energy Private Limited has merged into Gokak Textiles Limited with effect from April 01, 2022 based on the order of National Company Law Tribunal (NCLT) dated April 24, 2024. Consequently, the Company is, now, in the business of textile, manufacturing cotton yarn, blended yarn, industrial fabrics, terry towels, t-shirts, polos, undergarments, etc. and generation of solar power.

### 2 Material Accounting Policies

#### (a) Statement of Compliance :

These separate financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and on accrual basis.

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

#### (b) Basis of Preparation and presentation :

- i. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/activities of the Company and the normal time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current .
- ii. The standalone financial statements have been prepared on a historical cost basis, except for the following:
  - (a) Certain financial assets and liabilities that are measured at fair value;
  - (b) Non-current assets held for sale - measured as lower of carrying value or fair value less cost to sale;
  - (c) Defined benefit plans - plan assets measured at fair value.
- iii. All amounts disclosed in the standalone financial statements and notes have been shown in lakh as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

#### (c) Use of estimates

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

#### Assumptions and estimations of uncertainties

Information about assumptions and estimations of uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 18 and Note 2(p) - recognition of deferred tax assets
- Note 32 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 2(d) - useful life of property, plant and equipment;

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....**

- Note 2(h) - Financial Instruments.”

**(d) Property, plant and equipment:**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Freehold land is carried at cost and not depreciated. The cost comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Depreciation on property, plant and equipment has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013. Cost of leasehold land is amortised over the period of lease.

| Sr. No. | Particulars                     | Useful Life In years |
|---------|---------------------------------|----------------------|
| 1       | Factory Building and Structures | 3 to 60 years        |
| 2       | Residential Buildings           | 30 to 60 years       |
| 3       | Plant and Machinery             | 10 to 25 years       |
| 4       | Furniture & Fixtures            | 10 years             |
| 5       | Office Equipment                | 3 to 15 years        |
| 6       | Motor Vehicles                  | 8 to 10 years        |

Estimated useful life of Plant and Machinery pertaining to solar power division is considered to be 25 years. Depreciation on such plant and Machinery is charged at the rate of 5.28% for the first 13 years and 1.78% for remaining 12 years (As per CERC Regulation, 2017)

**(e) Intangible Assets:**

Intangible assets are stated at cost less accumulated amortisation and impairment, if any. Intangible assets are amortized over the estimated useful life of respective intangible assets on a straight line basis, from the date they are available for use.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Computer Software - 6 Years”

**(f) Investment property :**

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

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

**(g) Investments in Subsidiary :**

Investments in subsidiary are recognised at cost as per Ind AS 27 less provision for impairment, if any.

**(h) Financial instruments :**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Financial assets :

The Company classifies its financial assets in the following categories:

- (i) those to be measured subsequently at fair value (either through other comprehensive income or through the statement of profit and loss), and
- (ii) those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Equity instruments: The Company measures its equity instruments (other than in subsidiaries) at fair value through profit and loss.

### Impairment of financial assets:

The Company measures the expected credit loss associated with its assets based on historical trends, industrial practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### Financial liabilities and equity :

#### Classification as debt or equity

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

#### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

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

#### Equity

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

### (i) Inventories :

Inventories are valued at lower of cost and net realisable value. Cost is determined as follows:

| Sr. No | Particulars                    | Method of determining cost                                                                                     |
|--------|--------------------------------|----------------------------------------------------------------------------------------------------------------|
| 1      | Stores, Spares and Loose Tools | Weighted average for Mills unit and FIFO basis for Garment Division.                                           |
| 2      | Raw Materials:                 |                                                                                                                |
|        | (i) Cotton and Other Fibers    | Specific identification for Mills unit and FIFO basis for Garment Division.                                    |
|        | (ii) Others                    | Weighted average                                                                                               |
| 3      | Stock-in-Process               | Aggregate of material cost and production overheads and other attributable expenses up to stage of completion. |
| 4      | Finished Goods                 | Aggregate of material cost and production overheads.                                                           |

Provision is made for the cost of obsolescence and other anticipated losses, wherever considered necessary.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....****(j) Borrowing Cost :**

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

**(k) Revenue Recognition :**

Revenue comprises revenue from contracts with customers for sale of goods. Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring the goods or services to a customer i.e. on transfer of control of the goods or service to the customer. Revenue from sales of goods or rendering of services is net of indirect taxes, returns and discounts.

Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

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

**Solar Power Division:**

Revenue from Generation, Transmission and Distribution of power is recognised net of cash discounts, for each unit of electricity delivered at the contracted rate. Revenue from renewable energy certificates is recognised on actual basis.

Sale is recognized when the power is delivered by the Company at the delivery point in conformity with the parameters and technical limits and fulfilment of other conditions specified in the Power Purchase Agreement. Sale of power is accounted for as per tariff specified in the Power Purchase Agreement. The sale of power is accounted for net of all local taxes and duties as may be leviable on sale of electricity for all electricity made available and sold to customers.

**(l) Manufacturing and Operating Expenses :**

Manufacturing expenses and operating expenses are charged to revenue on accrual basis.

**(m) Foreign Exchange Transactions :**

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees.

Foreign currency transactions are recorded at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at the year-end rate and difference in translation and realised gains and losses on foreign exchange transactions are recognised in the statement of profit and loss. “

**(n) Provisions and Contingent Liability :**

A provision is recognised when enterprise has present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Provisions are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation can not be measured in terms of future outflow of resources or where a reliable estimate of the obligation can not be made.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### (o) Grants :

Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

### (p) Accounting for Taxes on Income :

Tax expense for the year comprises of current tax and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act.

Deferred Tax Assets and Liabilities are measured using tax rates and tax laws that have been enacted / substantively enacted as on the balance sheet date. Deferred tax assets and liabilities are determined for all temporary timing difference arising between the taxable income and accounting income. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred Tax Assets/Liabilities are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it related to the items recognised in other comprehensive income or directly in equity.”

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

### (q) Earnings per Share :

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, on Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

### (r) Impairment of non-financial assets :

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

### (s) Leases :

#### As a lessee

The Company's leases primarily consist of leases of land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently,

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....**

ROU assets are being amortised over a period based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows."

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases."

**(t) Cash and cash equivalents :**

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents are cash, balances with bank and short-term (three months or less from the date of placement), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**(u) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss ) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(v) Non-current assets held for sale :**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets are not depreciated or amortised while they are classified as held for sale.

**(w) Employee Benefits :****Short-term Obligations :**

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

**Other long-term employee benefit obligations**

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

**Defined Contribution Plans:**

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

**Defined Benefit Plan**

Retirements benefits in the form of Gratuity for eligible permanent employees is considered as defined benefit obligations and are provided on the basis of actuarial valuation, using the projected unit credit method. Gratuity of badli workers is determined on accrual basis based on the proportionate time of services rendered. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

### (x) Business combinations - common control transactions

Business combinations involving entities that are under common control are accounted for using the 'pooling of interest' method as follows:

- The assets and liabilities of The combining entities are reflected in their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the standalone financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the standalone financial statements of the transferor is aggregated with the corresponding balance appearing in the standalone financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to the capital reserve (amalgamation adjustment account) and is presented separately from other capital reserves.

### (y) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company. Additionally there were no new accounting standards notified which are applicable for subsequent reporting periods.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 3. Property, plant and equipment (PPE)

(₹ in lakhs)

| Particulars                       | Land         | Factory Building | Residential Building | Plant and machinery | Furniture, fixtures and office equipments | Vehicles     | Total            |
|-----------------------------------|--------------|------------------|----------------------|---------------------|-------------------------------------------|--------------|------------------|
| <b>Gross Block:</b>               |              |                  |                      |                     |                                           |              |                  |
| <b>Balance at March 31, 2023</b>  | <b>11.10</b> | <b>1,857.32</b>  | <b>383.42</b>        | <b>34,806.47</b>    | <b>202.30</b>                             | <b>45.06</b> | <b>37,305.67</b> |
| Additions                         | -            | 2.55             | -                    | 10.93               | 0.38                                      | -            | 13.86            |
| Assets held for sale              | -            | -                | -                    | 1,121.19            | -                                         | -            | 1,121.19         |
| Disposal                          | -            | -                | -                    | 162.99              | 0.37                                      | -            | 163.37           |
| <b>Balance at March 31, 2024</b>  | <b>11.10</b> | <b>1,859.87</b>  | <b>383.42</b>        | <b>33,533.21</b>    | <b>202.30</b>                             | <b>45.06</b> | <b>36,034.97</b> |
| Additions                         | -            | -                | -                    | 172.46              | -                                         | -            | 172.46           |
| Assets held for sale              | -            | -                | -                    | -                   | -                                         | -            | -                |
| Disposal                          | -            | -                | -                    | 0.10                | -                                         | 0.66         | 0.76             |
| <b>Balance at March 31, 2025</b>  | <b>11.10</b> | <b>1,859.87</b>  | <b>383.42</b>        | <b>33,705.58</b>    | <b>202.30</b>                             | <b>44.40</b> | <b>36,206.68</b> |
|                                   |              |                  |                      |                     |                                           |              |                  |
| <b>Accumulated Depreciation:</b>  |              |                  |                      |                     |                                           |              |                  |
| <b>Balance at March 31, 2023</b>  | -            | <b>763.59</b>    | <b>165.32</b>        | <b>10,258.42</b>    | <b>163.30</b>                             | <b>15.98</b> | <b>11,366.61</b> |
| Eliminated on disposals of assets | -            | -                | -                    | 114.34              | 0.27                                      | -            | 114.61           |
| Assets held for sale              | -            | -                | -                    | 696.23              | -                                         | -            | 696.23           |
| Depreciation expense              | -            | 97.16            | 13.46                | 1,846.80            | 2.29                                      | 4.92         | 1,964.62         |
| <b>Balance at March 31, 2024</b>  | -            | <b>860.75</b>    | <b>178.77</b>        | <b>11,294.64</b>    | <b>165.32</b>                             | <b>20.91</b> | <b>12,520.40</b> |
| Eliminated on disposals of assets | -            | -                | -                    | 0.10                | -                                         | 0.40         | 0.49             |
| Assets held for sale              | -            | -                | -                    | -                   | -                                         | -            | -                |
| Depreciation expense              | -            | 84.46            | 13.41                | 1,788.35            | 2.00                                      | 4.85         | 1,893.08         |
| <b>Balance at March 31, 2025</b>  | -            | <b>945.22</b>    | <b>192.18</b>        | <b>13,082.90</b>    | <b>167.32</b>                             | <b>25.36</b> | <b>14,412.98</b> |
|                                   |              |                  |                      |                     |                                           |              |                  |
| <b>Carrying Amount</b>            |              |                  |                      |                     |                                           |              |                  |
| <b>Balance at March 31, 2023</b>  | <b>11.10</b> | <b>1,093.73</b>  | <b>218.10</b>        | <b>24,548.05</b>    | <b>39.00</b>                              | <b>29.07</b> | <b>25,939.06</b> |
| <b>Balance at March 31, 2024</b>  | <b>11.10</b> | <b>999.12</b>    | <b>204.65</b>        | <b>22,238.57</b>    | <b>36.98</b>                              | <b>24.15</b> | <b>23,514.57</b> |
| <b>Balance at March 31, 2025</b>  | <b>11.10</b> | <b>914.66</b>    | <b>191.24</b>        | <b>20,622.68</b>    | <b>34.98</b>                              | <b>19.04</b> | <b>21,793.70</b> |

## 3.1 Title deeds of all immovable properties are held in the name of the Company except as follows:

| Description of property | Gross carrying amount<br>(₹ In Lakhs) | Held in the name            | Whether promoter, director or their relatives | Period held since | Reason for not being in the name of the Company                                                                                                                                                                                                                                                                                              |
|-------------------------|---------------------------------------|-----------------------------|-----------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Freehold Land *         | 4.91                                  | Gokak Patel Volkart Limited | No                                            | 1992              | The title deeds were held in the name of erstwhile Gokak Patel Volkart Limited which amalgamated into Forbes Gokak Limited and subsequently was demerged into Gokak Textiles Limited. The Company is still in the process of transferring the title in the name of Company which are under litigation due to certain disputed legal matters. |

\*Classified under assets held for sale(Refer Note 12)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 3A. Capital Work-in-Progress:

Ageing Schedule for Projects in progress and Projects temporarily suspended :

( ₹ in lakhs )

| Particulars                    | Amount of CWIP as at March 31, 2025 |             |             |                    |                    | Total |
|--------------------------------|-------------------------------------|-------------|-------------|--------------------|--------------------|-------|
|                                | Less than 01 year                   | 01-02 years | 02-03 years | More than 03 years | More than 03 Years |       |
| Projects in Progress           | -                                   | -           | -           | -                  | -                  | -     |
| Projects Temporarily Suspended | -                                   | -           | -           | -                  | -                  | -     |

| Particulars                    | Amount of CWIP as at March 31, 2024 |             |             |                    |                    | Total |
|--------------------------------|-------------------------------------|-------------|-------------|--------------------|--------------------|-------|
|                                | Less than 01 year                   | 01-02 years | 02-03 years | More than 03 years | More than 03 Years |       |
| Projects in Progress           | 0.54                                | -           | -           | -                  | -                  | 0.54  |
| Projects Temporarily Suspended | -                                   | -           | -           | -                  | -                  | -     |

### 3B. Right of Use Assets:

( ₹ In Lakhs)

| Particulars                                    | Leasehold land and Premises |
|------------------------------------------------|-----------------------------|
| <b>Gross Block</b>                             |                             |
| <b>Balance as at March 31, 2023</b>            | <b>26.93</b>                |
| Additions                                      | -                           |
| Deletion                                       | -                           |
| <b>Balance as at March 31, 2024</b>            | <b>26.93</b>                |
| Additions                                      | -                           |
| Deletion                                       | -                           |
| <b>Balance as at March 31, 2025</b>            | <b>26.93</b>                |
| <b>Accumulated amortisation and impairment</b> | -                           |
| <b>Balance as at March 31, 2023</b>            | <b>20.44</b>                |
| Amortisation expense                           | 2.17                        |
| Deletion                                       | -                           |
| <b>Balance as at March 31, 2024</b>            | <b>22.62</b>                |
| Amortisation expense                           | 2.17                        |
| Deletion                                       | -                           |
| <b>Balance as at March 31, 2025</b>            | <b>24.79</b>                |
| <b>Carrying Amount</b>                         |                             |
| <b>Balance as at March 31, 2023</b>            | <b>6.49</b>                 |
| <b>Balance as at March 31, 2024</b>            | <b>4.31</b>                 |
| <b>Balance as at March 31, 2025</b>            | <b>2.14</b>                 |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 4. Investment property

(₹ In Lakhs)

| Particulars                       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------|-------------------------|-------------------------|
| Land at Solapur, Maharashtra      | -                       | 11.35                   |
| Less: Classified as held for sale | -                       | (11.35)                 |
| <b>Total</b>                      | <b>-</b>                | <b>-</b>                |

The investment property has been considered as Held for sale as on March 31, 2025 and accordingly has been regrouped to asset held for sale in terms of Ind AS 105 (Refer Note 12)

**Estimation of Fair value:**

The fair valuation is based on current marked prices of similar properties. This valuation is based on valuations performed by independent valuers who are registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Fair valuation is based on sales comparison method based on market approach. The fair value measurement is categorised in level 2 fair value hierarchy.

There were no rental income or direct operating expenses arising from investment property.

## 5. Intangible assets

(₹ In Lakhs)

| Particulars                                    | Computer<br>Software |
|------------------------------------------------|----------------------|
| <b>Balance as at March 31, 2023</b>            | <b>82.33</b>         |
| Additions                                      | 0.21                 |
| Deletion                                       | -                    |
| <b>Balance as at March 31, 2024</b>            | <b>82.54</b>         |
| Additions                                      | -                    |
| Deletion                                       | -                    |
| <b>Balance as at March 31, 2025</b>            | <b>82.54</b>         |
| <b>Accumulated amortisation and impairment</b> |                      |
| <b>Balance as at March 31, 2023</b>            | <b>75.80</b>         |
| Depreciation expense                           | 1.80                 |
| <b>Balance as at March 31, 2024</b>            | <b>77.60</b>         |
| Depreciation expense                           | 1.81                 |
| <b>Balance as at March 31, 2025</b>            | <b>79.41</b>         |
| <b>Carrying Amount</b>                         |                      |
| <b>Balance as at March 31, 2023</b>            | <b>6.54</b>          |
| <b>Balance as at March 31, 2024</b>            | <b>4.95</b>          |
| <b>Balance as at March 31, 2025</b>            | <b>3.14</b>          |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 6A Non Current Investments

(₹ In Lakhs)

| Particulars                                                              | As at arch 31, 2025 |                 | As at March 31, 2024 |                 |
|--------------------------------------------------------------------------|---------------------|-----------------|----------------------|-----------------|
|                                                                          | Qty                 | Amount          | Qty                  | Amount          |
| <b>Break-up of investments</b>                                           |                     |                 |                      |                 |
| <b>a) In subsidiary company at cost</b>                                  |                     |                 |                      |                 |
| Unquoted Investments (all fully paid)                                    |                     |                 |                      |                 |
| <b>i) Equity Instruments</b>                                             |                     |                 |                      |                 |
| Equity shares of ₹ 10 each fully paid up of Gokak Power & Energy Limited | 2,49,90,000         | 2,499.00        | 2,49,90,000          | 2,499.00        |
| <b>Total of Unquoted Investments in subsidiary</b>                       | <b>2,49,90,000</b>  | <b>2,499.00</b> | <b>2,49,90,000</b>   | <b>2,499.00</b> |
| <b>b) Other Investments at fair value through profit or loss (FVTPL)</b> |                     |                 |                      |                 |
| Unquoted Investments (all fully paid)                                    |                     |                 |                      |                 |
| <b>l) Equity Instruments</b>                                             |                     |                 |                      |                 |
| Equity shares of ₹ 100 each of Zoroastrian Co-op Bank Limited            | 25                  | 0.03            | 25                   | 0.03            |
| <b>Total of Unquoted Investments</b>                                     | <b>25</b>           | <b>0.03</b>     | <b>25</b>            | <b>0.03</b>     |
| <b>TOTAL OF UNQUOTED INVESTMENTS</b>                                     |                     | <b>2,499.03</b> |                      | <b>2,499.03</b> |

| Particulars                                                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Category-wise other investments – as per Ind AS 109 classification</b> |                         |                         |
| <b>Investments carried at fair value through profit or loss (FVTPL)</b>   |                         |                         |
| In unquoted equity shares of Zoroastrian Co- Operative Bank limited.*     | 0.03                    | 0.03                    |
|                                                                           | <b>0.03</b>             | <b>0.03</b>             |

\* Value of these shares is ₹ 2,500/-

No additional investments made during the year that are covered under section 186 of the Companies Act, 2013.

## 6B. Loans to Subsidiary

(₹ in lakhs)

| Particulars                  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| <b>Non current</b>           |                         |                         |
| Unsecured loan to subsidiary | 5,491.57                | 5,990.57                |
| <b>Total</b>                 | <b>5,491.57</b>         | <b>5,990.57</b>         |

**Note:** During the financial year 2023-24, the Company had entered into a 'Novation' agreement ('the Agreement') on August 29, 2023 which was effective from April 01, 2023 ('the effective date') in respect of transfer of the Inter-corporate-deposits (ICDs) aggregating to ₹ 6,427.30 lakhs (including interest) outstanding in the books of its subsidiary company Gokak Power & Energy Limited ('GPEL') repayable to Shapoorji Pallonji and Company Private Limited ('SPCPL') the Holding Company of Gokak Textiles Limited ('the Company'). According to the said Agreement, the Company assumed the ICD liabilities

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....**

towards SPCPL and obtained rights to the ICDs receivable from GPEL for the said ICDs from the effective date on existing terms. Accordingly, the Company recognised the ICD and accrued interest payable to SPCPL and ICD given to GPEL for the aforesaid amount. Subsequent to the said Agreement, ICDs between the Company and SPCPL and ICD between the Company and GPEL are subjected to the same terms and conditions as mutually agreed between the respective lender and the borrower. The above loan carries interest rate of 11.50 % per annum and is repayable on demand.

**7. Trade receivables**

(₹ in lakhs)

| Particulars                                                       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Trade receivables                                                 |                         |                         |
| - Related Parties                                                 | -                       | 18.24                   |
| - Others                                                          |                         |                         |
| a) Unsecured, considered good                                     | 655.89                  | 1,131.08                |
| b) Doubtful                                                       | 414.65                  | 420.00                  |
| Less: Allowance for bad and doubtful debts (expected credit loss) | (414.65)                | (420.00)                |
| <b>Total</b>                                                      | <b>655.89</b>           | <b>1,149.32</b>         |

**7.1. Trade receivables****As on 31<sup>st</sup> March 2025**

| Particulars                                                                        | Outstanding for following periods from due date of payments |                       |                      |              |              |                      | Total<br>Outstanding |
|------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------|----------------------|--------------|--------------|----------------------|----------------------|
|                                                                                    | Not Due                                                     | Less than<br>6 months | 6 Months<br>- 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years |                      |
| (i) Undisputed Trade receivables – considered good                                 | 619.78                                                      | 33.18                 | 1.30                 | 1.31         | 0.15         | 0.17                 | 655.89               |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| (iv) Disputed Trade Receivables– considered good                                   | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                                                           | -                     | -                    | 88.17        | -            | 326.48               | 414.65               |
| Sub - Total                                                                        | 619.78                                                      | 33.18                 | 1.30                 | 89.48        | 0.15         | 326.65               | 1,070.54             |
| Less: Allowance for bad and doubtful debts (expected credit loss)                  | -                                                           | -                     | -                    | (88.17)      | -            | (326.48)             | (414.65)             |
| <b>Total</b>                                                                       | <b>619.78</b>                                               | <b>33.18</b>          | <b>1.30</b>          | <b>1.31</b>  | <b>0.15</b>  | <b>0.17</b>          | <b>655.89</b>        |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

As on 31<sup>st</sup> March 2024

| Particulars                                                                        | Outstanding for following periods from due date of payments |                    |                   |             |             |                   | Total Outstanding |
|------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------|-------------------|-------------|-------------|-------------------|-------------------|
|                                                                                    | Not Due                                                     | Less than 6 months | 6 Months - 1 year | 1-2 years   | 2-3 years   | More than 3 years |                   |
| (i) Undisputed Trade receivables – considered good                                 | 560.06                                                      | 584.72             | 4.40              | 0.12        | 0.02        | -                 | 1,149.32          |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                                                           | -                  | -                 | -           | -           | -                 | -                 |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                                                           | -                  | -                 | -           | -           | -                 | -                 |
| (iv) Disputed Trade Receivables– considered good                                   | -                                                           | -                  | -                 | -           | -           | -                 | -                 |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                                                           | -                  | -                 | -           | -           | -                 | -                 |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                                                           | -                  | 93.41             | 0.11        | -           | 326.48            | 420.00            |
| <b>Sub - Total</b>                                                                 | <b>560.06</b>                                               | <b>584.72</b>      | <b>97.81</b>      | <b>0.23</b> | <b>0.02</b> | <b>326.48</b>     | <b>1,569.32</b>   |
| Less: Allowance for bad and doubtful debts (expected credit loss)                  | -                                                           | -                  | (93.41)           | (0.11)      | -           | (326.48)          | (420.00)          |
| <b>Total</b>                                                                       | <b>560.06</b>                                               | <b>584.72</b>      | <b>4.40</b>       | <b>0.12</b> | <b>0.02</b> | <b>-</b>          | <b>1,149.32</b>   |

### 7.2 Movement in the allowance for doubtful debts

| Particulars                                  | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|----------------------------------------------|---------------------------|---------------------------|
| Balance at beginning of the year             | 420.00                    | 326.59                    |
| Change in allowance for expected credit loss | -                         | 93.41                     |
| Amounts written off/received during the year | (5.35)                    | -                         |
| <b>Balance at end of the year</b>            | <b>414.65</b>             | <b>420.00</b>             |

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

### 8. Other financial assets

(₹ in lakhs)

| Particulars                           | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------|----------------------|----------------------|
| <b>8A Non current</b>                 |                      |                      |
| Security deposits                     |                      |                      |
| - Unsecured, considered good          | 137.04               | 136.76               |
| - Doubtful                            | -                    | -                    |
| Margin Money Fixed Deposits with bank | -                    | 1,278.37             |
| <b>Total</b>                          | <b>137.04</b>        | <b>1,415.13</b>      |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Particulars                                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>8B Current</b>                          |                         |                         |
| <b>Other current receivables</b>           |                         |                         |
| Staff advance - Unsecured, considered good | 9.39                    | 1.97                    |
| Security deposits                          | 23.33                   | -                       |
| Other Receivables                          | 18.99                   | 15.57                   |
| <b>Total</b>                               | <b>51.71</b>            | <b>17.54</b>            |

## 9. Inventories

(₹ in lakhs)

| Particulars                                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------------------|-------------------------|-------------------------|
| Inventories (lower of cost and net realisable value) |                         |                         |
| Raw materials                                        | 225.41                  | 215.14                  |
| Work-in-progress                                     | 254.78                  | 352.79                  |
| Finished goods                                       | 506.02                  | 567.54                  |
| Stores and spares including packing materials        | 148.91                  | 146.28                  |
| <b>Total</b>                                         | <b>1,135.12</b>         | <b>1,281.75</b>         |

## 10. Cash and Bank Balances

| Particulars                                                                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>10 A Cash and cash equivalents</b>                                      |                         |                         |
| <b>Balances with Banks</b>                                                 |                         |                         |
| -In current accounts                                                       | 253.97                  | 256.66                  |
| -Term Deposits with banks having original maturity of three months or less | -                       | 424.10                  |
| <b>Cash on hand</b>                                                        | 1.67                    | 2.28                    |
| <b>Total</b>                                                               | <b>255.64</b>           | <b>683.04</b>           |

| Particulars                                                                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>10 B Other Bank balances</b>                                                           |                         |                         |
| Balances held as margin money / under lien with remaining maturity of less than 12 months | 2.74                    | 124.82                  |
| <b>Total</b>                                                                              | <b>2.74</b>             | <b>124.82</b>           |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 11. Other assets

(₹ in lakhs)

| Particulars                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>11A. Non Current</b>                          |                         |                         |
| Unsecured, considered good                       |                         |                         |
| Prepaid expenses                                 | -                       | 4.50                    |
| Balances with statutory / government authorities | 548.42                  | 571.32                  |
| Less : Allowance for doubtful balances           | -                       | -                       |
|                                                  | 548.42                  | 571.32                  |
| <b>Total</b>                                     | <b>548.42</b>           | <b>571.32</b>           |

(₹ in lakhs)

| Particulars                                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------------|-------------------------|-------------------------|
| <b>11B. Current</b>                            |                         |                         |
| Advances for supply of goods and services      |                         |                         |
| - Unsecured, considered good                   | 12.94                   | 36.78                   |
| - Unsecured, considered doubtful               | -                       | -                       |
| Less : Allowance for bad and doubtful advances | -                       | -                       |
|                                                | <b>12.94</b>            | <b>36.78</b>            |
| Prepaid expenses and Insurance                 | 25.50                   | 28.03                   |
| <b>Total</b>                                   | <b>38.44</b>            | <b>64.80</b>            |

### 12. Assets classified as held for sale

(₹ in lakhs)

| Particulars           | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------|-------------------------|-------------------------|
| Plant and Machineries | 373.60                  | 424.96                  |
| Land at Solapur       | 4.91                    | 11.35                   |
| <b>Total</b>          | <b>378.51</b>           | <b>436.31</b>           |

Note : The Management of the Company has identified certain machineries located at textile plant, at Gokak location and land located at Solapur, Maharashtra, as assets held for sale. The Company has also received partial advances for the sale of land and certain parts of the machineries held for sale. The Company is in the process of completing the sale transaction which is expected to be concluded within twelve months from the date of these standalone financial statements.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 13A. Equity Share Capital

(₹ in lakhs)

| Particulars                                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised Equity Share Capital :</b>                    |                         |                         |
| 4,70,00,000 fully paid equity shares of ₹ 10 each           | 4,700.00                | 4,700.00                |
|                                                             | <b>4,700.00</b>         | <b>4,700.00</b>         |
| <b>Issued, subscribed and paid-up equity share capital:</b> |                         |                         |
| 64,99,308 fully paid equity shares of ₹ 10 each             | 649.93                  | 649.93                  |
|                                                             | <b>649.93</b>           | <b>649.93</b>           |

## 13A.1. Fully paid equity shares

(₹ in lakhs)

| Particulars                         | Number of<br>shares | Share capital<br>( in Lakhs) |
|-------------------------------------|---------------------|------------------------------|
| <b>Balance as at April 1, 2023</b>  | <b>6,499,308</b>    | <b>649.93</b>                |
| Movements                           | -                   | -                            |
| <b>Balance as at March 31, 2024</b> | <b>6,499,308</b>    | <b>649.93</b>                |
| Movements                           | -                   | -                            |
| <b>Balance as at March 31, 2025</b> | <b>6,499,308</b>    | <b>649.93</b>                |

**Rights, preferences and restrictions 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 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.

## 13A.2. Details of shares held by the holding company, its subsidiaries and associates

(₹ in lakhs)

| Particulars                                                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Balance at the beginning of the period :</b>                     |                         |                         |
| Shapoorji Pallonji and Company Private Limited, the holding company | 4,780,845               | 4,780,845               |
| <b>Total</b>                                                        | <b>4,780,845</b>        | <b>4,780,845</b>        |

## 13A.3. Details of shares held by each shareholder holding more than 5% shares

| Particulars                                           | Number of<br>shares held | % holding in the<br>class of shares |
|-------------------------------------------------------|--------------------------|-------------------------------------|
| <b>Fully paid equity shares</b>                       |                          |                                     |
| <b>Shapoorji Pallonji and Company Private Limited</b> |                          |                                     |
| As at March 31, 2025                                  | 4,780,845                | 73.56                               |
| As at March 31, 2024                                  | 4,780,845                | 73.56                               |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

**13A.4.** The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

### 13A.5. Details of shareholding of promoters

| Promoter Name                                         | Number of shares held | Percentage of total shares (%) |
|-------------------------------------------------------|-----------------------|--------------------------------|
| <b>Shapoorji Pallonji and Company Private Limited</b> |                       |                                |
| As at March 31, 2025                                  | 4,780,845             | 73.56%                         |
| As at March 31, 2024                                  | 4,780,845             | 73.56%                         |

There is no change in the shareholding of promoters during the year.\

### 13B Preference Share Capital

| (₹ in lakhs)                                                                           |                      |                      |
|----------------------------------------------------------------------------------------|----------------------|----------------------|
| Particulars                                                                            | As at March 31, 2025 | As at March 31, 2024 |
| <b>Authorised Preference Share Capital :</b>                                           |                      |                      |
| 22,00,00,000 Non Cumulative, non convertible Redeemable preference shares of ₹ 10 each | 22,000.00            | 22,000.00            |
|                                                                                        | <b>22,000.00</b>     | <b>22,000.00</b>     |
| <b>Issued, subscribed and paid-up preference share capital:</b>                        |                      |                      |
| 4,25,56,838 fully paid-up Redeemable Non-convertible Cumulative Preference Shares      | 4,255.68             | -                    |
|                                                                                        | <b>4,255.68</b>      | <b>-</b>             |

#### 13B.1 Fully paid preference shares

| (₹ in lakhs)                        |                   |                           |
|-------------------------------------|-------------------|---------------------------|
| Particulars                         | Number of shares  | Share capital ( in Lakhs) |
| <b>Balance as at April 1, 2023</b>  | -                 | -                         |
| Movements                           | -                 | -                         |
| <b>Balance as at March 31, 2024</b> | -                 | -                         |
| Movements                           | 42,556,838        | 4,255.68                  |
| <b>Balance as at March 31, 2025</b> | <b>42,556,838</b> | <b>4,255.68</b>           |

#### Rights, preferences and restrictions attached to preference shares

The above preference shares were issued to the Shapoorji Pallonji Infrastructure Capital Company Private Limited as consideration for amalgamation (by way of absorption) of Suryoday One Energy Private Limited ('transferor company') into the Company approved by the Hon'ble National Company Law Tribunal ('NCLT') in its order dated April 24, 2024. These preference shares carry cumulative dividends at the rate of 11% per annum and are compulsorily redeemable at the end of 10 years from the date of allotment. Each redeemable preference share is freely transferable at the option of the holder subject to the applicable laws. The preference shares have been classified as financial liability as per Ind AS 32/Ind AS 109.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 14A. Instruments entirely equity in nature

(₹ in lakhs)

| Particulars                                                                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Perpetual Loans</b>                                                                    |                         |                         |
| (a) From Evangelous Ventures Private Limited                                              | 2,725.27                | 2,465.27                |
| (b) From Shapoorji Pallonji and Company Private Limited                                   | 5,000.00                | 5,000.00                |
| (c) From Shapoorji Pallonji and Company Private Limited (Novation)                        | 6,427.30                | 6,427.30                |
| (d) From Sharus Steel Products Private Limited                                            | 250.00                  | -                       |
| <b>Perpetual Debentures</b>                                                               |                         |                         |
| (e) 23,58,10,000 fully paid-up 7% Perpetual Cumulative Debentures of face value ₹ 10 each | 990.40                  | 990.40                  |
| <b>Balance at end of the year</b>                                                         | <b>15,392.97</b>        | <b>14,882.97</b>        |

- (a) During the financial year 2022-23, the Company had entered into an agreement with Evangelous Ventures Private Limited ('the Lender'), in which unsecured Inter-Corporate-Deposits ('ICD') having principal amount aggregating to ₹ 1,765.27 lakhs (including interest accrued thereon) as at April 01, 2022 repayable on demand with interest rate of 8.00% per annum, were converted into an unsecured perpetual loan ('the Perpetual Loan') with effect from April 01, 2022. The said Perpetual Loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 8.00% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all existing amount borrowed or debt securities issued by the Company to any other person (other than the Lender itself) and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan was classified as instrument entirely equity in nature. The Company has, subsequently, received additional ₹ 700.00 lakhs in the financial year 2022-23 and ₹ 260.00 lakhs during the financial year 2024-25 on the same terms.
- (b) During the financial year 2022-23, the Company had entered into an agreement with Shapoorji Pallonji and Company Private Limited ('the Lender'), in which unsecured Inter-Corporate-Deposits ('ICD') having principal amount aggregating to ₹ 8,457.00 lakhs as at April 01, 2022 repayable on demand with interest rate of 11.50% per annum, were converted into an unsecured perpetual loan ('the Perpetual Loan') with effect from April 01, 2022. The said Perpetual Loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 11.50% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all existing amount borrowed or debt securities issued by the Company to any other person (other than the Lender itself) and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan was classified as instrument entirely equity in nature. Balance above ₹ 5,000 lakhs was extinguished as per the composite scheme of arrangement approved by the Hon'ble National Company Law Tribunal ('NCLT') in its order dated April 24, 2024.
- (c) During the financial year 2023-24, the Company had entered into an agreement with the Holding Company Shapoorji Pallonji and Company Private Limited ('SPCPL'), in which unsecured Inter-Corporate-Deposits ('ICD') having principal and interest accrued aggregating to ₹ 6,427.30 lakhs (which were transferred to the Company from its subsidiary company under the 'Novation' agreement) repayable on demand with interest rate of 11.50% per annum, were converted into an unsecured perpetual loan ('the Perpetual Loan') with effect from April 01, 2023. The said Perpetual Loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 11.50% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all existing amount borrowed or debt securities issued by the Company to any other person (other than SPCPL itself) and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan was re-classified as instrument entirely equity in nature.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

- (d) During the financial year 2024-25, the Company has entered into an agreement with Sharus Steel Products Private Limited ('the Lender'), in which it received ₹ 250.00 lakhs as perpetual loan ('the Perpetual Loan'). The said Perpetual Loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 8% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all existing amount borrowed or debt securities issued by the Company to any other person (other than the Lender itself) and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan has been classified as instruments entirely equity in nature.
- (e) 23,58,10,000 fully paid-up 7% Perpetual Cumulative Debentures of face value ₹ 10 each were allotted and accounted at a fair value of ₹ 990.40 lakhs as consideration for capital reduction under the composite scheme of arrangement approved by the Hon'ble National Company Law Tribunal ('NCLT') in its order dated April 24, 2024. As per the terms of the said debentures, the debentures are of perpetual tenor and the coupon and redemption of the debentures is solely at the discretion of the Company. Accordingly, the same were considered to be instruments wholly equity in nature.

### 14B Other equity

| (₹ in lakhs)                                                       |                         |                         |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                        | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| <b>(i) General reserve</b>                                         |                         |                         |
| Balance at beginning of the year                                   | 7,160.32                | 7,160.32                |
| Movements during the year                                          | -                       | -                       |
| <b>Balance at end of the year</b>                                  | <b>7,160.32</b>         | <b>7,160.32</b>         |
| <b>(ii) Amalgamation adjustment account</b>                        |                         |                         |
| Capital Reserve (Debit Balance) created on account of amalgamation | (756.00)                | (756.00)                |
| <b>Balance at end of the year</b>                                  | <b>(756.00)</b>         | <b>(756.00)</b>         |
| <b>(iii) Retained earnings</b>                                     |                         |                         |
| Balance at beginning of year                                       | (18,345.49)             | (16,664.73)             |
| Merger Adjustments                                                 | -                       | -                       |
| Profit/(Loss) for the year                                         | (4,580.12)              | (1,756.70)              |
| Other Comprehensive income for the year                            | 55.59                   | 75.94                   |
| <b>Balance at end of the year</b>                                  | <b>(22,870.02)</b>      | <b>(18,345.49)</b>      |
| <b>Total</b>                                                       | <b>(16,465.70)</b>      | <b>(11,941.17)</b>      |

- (i) General Reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.
- (ii) Capital Reserve (Debit Balance) created on amalgamation represents the difference between the cancellation of the nominal amount of equity share capital of Suryoday One Energy Private Limited ('Transferor') and the fair value of the purchase consideration issued to the shareholders of the Transferor under the composite scheme of arrangement approved by the Hon'ble National Company Law Tribunal ('NCLT') in its order dated April 24, 2024.
- (iii) Retained earnings represents net profits after distributions and transfers to other reserves.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 15. Borrowings

( ₹ in lakhs )

| Particulars  |                                                                              | Non-current             |                         | Current                 |                         |
|--------------|------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|              |                                                                              | As at<br>March 31, 2025 | As at<br>March 31, 2024 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| a)           | 11% Redeemable Non-convertible Cumulative Preference Shares (Refer Note 13B) | 4,654.55                | -                       | -                       | -                       |
| b)           | <b>Inter corporate deposits, unsecured:</b>                                  |                         |                         |                         |                         |
|              | (i) From Shapoorji Pallonji Development Managers Pvt. Ltd.                   | -                       | -                       | 514.02                  | 432.12                  |
|              | (ii) From Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd.        | 5,690.64                | 10,349.20               | -                       | -                       |
| c)           | <b>Term Loans:</b>                                                           |                         |                         |                         |                         |
|              | (i) From Dr. Prabhakar Kore Co-Operative Society Limited                     | 714.26                  | 857.12                  | 142.88                  | 142.88                  |
|              | (ii) From Indian Renewable Energy Development Agency Limited                 | 15,410.54               | -                       | 1,500.00                | -                       |
|              | (iii) From India Infradebt Ltd                                               | -                       | 13,180.25               | -                       | 977.53                  |
| <b>Total</b> |                                                                              | <b>26,469.99</b>        | <b>24,386.57</b>        | <b>2,156.90</b>         | <b>1,552.53</b>         |

**Note 15.1 Terms and conditions of outstanding borrowing****Inter corporate deposits, unsecured:**

- (i) Inter Corporate deposit from Shapoorji Pallonji Development Managers Pvt. Ltd. is obtained for a tenure of 11 months, carries interest at the rate of 26% per annum and is repayable at the end of tenure along with principal.
- (ii) Inter Corporate deposit from Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd. is obtained for a tenure of five years, carries interest at the rate of 10.50% per annum and is repayable at the end of tenure along with principal.

**Term Loans:**

- (i) Term Loan from Dr. Prabhakar Kore Co-Operative Society Limited is obtained for a tenure of 7 years, carries interest at the rate of 14% per annum. Interest is payable on monthly basis and principal is repayable at equal quarterly instalments. The loan is secured against hypothecation charge created over the movable asset having total area 14 acre 20 gunta at Marihal Village, Taluka and District Belagavi.
- (ii) Term Loan from Indian Renewable Energy Development Agency Limited is obtained for a tenure of 14.5 years, carries interest at the rate of 9.85% per annum with annual reset frequency. Interest is payable on monthly basis and principal is repayable at equal quarterly instalments. The loan is secured by way of first charge mortgage of 40MW Solar Plant of the Company and first charge hypothecation of all immovable properties present and future, tangible/ intangible movable assets, current assets, bank accounts, all the rights, title, interest, benefits, claims whatsoever of the project agreement and also corporate guarantee by Shapoorji Pallonji Infrastructure Capital Company Private Limited for entire term of the loan. Term Loan has been sanctioned for a total amount of ₹ 22,000 lakhs.
- (iii) Term Loan from India Infradebt Limited was obtained for a tenure of 15.5 years, carries interest at the rate of 9.75% per annum. Interest was payable on monthly basis and principal was repayable at equal quarterly instalments. The loan was secured by way of first paripassu charge on present and future immovable properties, tangible/ intangible movable assets, current assets, bank accounts, all the rights, title, interest, benefits, claims whatsoever of the project agreement. During the year the Company has fully prepaid the loan through term loan from other lender.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### Note 15.1 Carrying amounts of assets pledged/hypothecated against secured borrowings

| Class of Assets               | Carrying Amount  |                |
|-------------------------------|------------------|----------------|
|                               | March 31, 2025   | March 31, 2024 |
| Property, Plant and Equipment | 18,203.04        | 207.40         |
| Cash and Bank balance         | 222.77           | -              |
| Trade and Other receivables   | 1,075.32         | -              |
| <b>Total</b>                  | <b>19,501.13</b> | <b>207.40</b>  |

### 16. Other financial liabilities

(₹ in lakhs)

| Particulars            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------|-------------------------|-------------------------|
| <b>16A Non Current</b> |                         |                         |
| Security deposits      | -                       | 162.50                  |
| <b>Total</b>           | <b>-</b>                | <b>162.50</b>           |

(₹ in lakhs)

| Particulars                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|-------------------------|
| <b>16B Current</b>             |                         |                         |
| Security deposits              | 56.81                   | 57.14                   |
| Merger Compensation payable    | -                       | 4,256.00                |
| Salary and other employee dues | 864.13                  | 705.25                  |
| <b>Total</b>                   | <b>920.94</b>           | <b>5,018.39</b>         |

### 17. Provisions

(₹ in lakhs)

| Particulars                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------|-------------------------|-------------------------|
| <b>17A. Non current</b>             |                         |                         |
| <b>a) Employee benefits</b>         |                         |                         |
| Compensated absences                | 83.52                   | 74.32                   |
| Gratuity (Funded)                   | 209.83                  | 187.60                  |
| Gratuity - Badli Workers (Unfunded) | 362.47                  | 359.80                  |
| <b>b) Other provisions</b>          |                         |                         |
| Provision for Contingencies         | -                       | -                       |
| <b>Total</b>                        | <b>655.82</b>           | <b>621.71</b>           |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Particulars              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| <b>17B. Current</b>      |                         |                         |
| <b>Employee benefits</b> |                         |                         |
| Compensated absences     | 8.57                    | 13.30                   |
| Gratuity (Funded)        | 113.93                  | 117.69                  |
| <b>Total</b>             | <b>122.51</b>           | <b>130.99</b>           |

**18. Deferred tax balances**

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

(₹ in lakhs)

| Particulars                            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------------------|-------------------------|-------------------------|
| Deferred tax assets (Refer Note below) | 3,116.52                | 3,060.29                |
| Deferred tax liabilities               | (3,116.52)              | (3,060.29)              |
| <b>Net</b>                             | <b>-</b>                | <b>-</b>                |

Note:- The Company has restricted the recognition of deferred tax assets on account of unabsorbed depreciation and brought forward business loss and certain other assets to set off the deferred tax liabilities arising on account of temporary difference arising on Property, Plant and Equipment and other assets. The Company did not have any deferred tax liability as on March 31, 2025, accordingly, the Company has not recognised any deferred tax assets. Unabsorbed depreciation and brought forward business losses on which deferred tax assets have not been recognised (in the absence of virtual certainty of taxable income) were ₹ 29,782.04 lakhs as on March 31, 2025 (Previous year: ₹ 50,401.09 lakhs).

**As at March 31, 2025 :**

(₹ in lakhs)

| Particulars                                              | Opening<br>balance | Recognised in<br>profit or loss | Closing balance |
|----------------------------------------------------------|--------------------|---------------------------------|-----------------|
| <b>Deferred tax (liabilities)/assets in relation to:</b> |                    |                                 |                 |
| a) Property, plant and equipment                         | (3,036.11)         | 24.28                           | (3,011.83)      |
| b) Intangible assets                                     | (0.67)             | 0.34                            | (0.33)          |
| c) Doubtful debts                                        | (23.51)            | (80.85)                         | (104.36)        |
| d) Lease liability (net off ROU asset)                   | 1.29               | 0.45                            | 1.73            |
| e) MAT Credit                                            | 63.00              | (0.00)                          | 63.00           |
| f) Defined benefit obligation                            | 189.44             | 6.45                            | 195.89          |
| g) Others - Unabsorbed Depreciation and losses           | 2,806.57           | 49.33                           | 2,855.90        |
| <b>Total</b>                                             | <b>-</b>           | <b>-</b>                        | <b>-</b>        |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

As at March 31, 2024 :

(₹ in lakhs)

| Particulars                                              | Opening balance | Recognised in profit or loss | Closing balance |
|----------------------------------------------------------|-----------------|------------------------------|-----------------|
| <b>Deferred tax (liabilities)/assets in relation to:</b> |                 |                              |                 |
| a) Property, plant and equipment                         | (3,107.29)      | 71.18                        | (3,036.11)      |
| b) Intangible assets                                     | (0.87)          | 0.21                         | (0.67)          |
| c) Doubtful debts                                        | (0.15)          | (23.36)                      | (23.51)         |
| d) Lease liability (net off ROU asset)                   | 1.56            | (0.27)                       | 1.29            |
| e) MAT Credit                                            | 63.00           | -                            | 63.00           |
| f) Defined benefit obligation                            | 205.98          | (16.54)                      | 189.44          |
| g) Others - Unabsorbed Depreciation and losses           | 2,837.78        | (31.22)                      | 2,806.57        |
| <b>Net Deferred tax assets/(liabilities)</b>             | -               | -                            | -               |

### 19. Other liabilities

Current

(₹ in lakhs)

| Particulars                             | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------------------|----------------------|----------------------|
| Advances from customers                 | 352.72               | 16.10                |
| Advance received against sale of Assets | 504.50               | 576.50               |
| Statutory remittances                   | 105.56               | 95.54                |
| <b>Total</b>                            | <b>962.78</b>        | <b>688.14</b>        |

### 20. Trade payables

Current

(₹ in lakhs)

| Particulars                                                                                | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Trade payables for Goods and Services</b>                                               |                      |                      |
| (a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 35)      | 84.33                | 13.18                |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |                      |                      |
| - Related Parties                                                                          | 401.61               | 267.20               |
| - Others                                                                                   | 1,765.75             | 1,467.73             |
| <b>Sub Total</b>                                                                           | <b>2,167.36</b>      | <b>1,734.92</b>      |
| <b>Total</b>                                                                               | <b>2,251.69</b>      | <b>1,748.10</b>      |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 20.1 Undisputed trade payable ageing schedule:

(₹ in lakhs)

| Particulars              | As at March 31, 2025 |                 |                 |
|--------------------------|----------------------|-----------------|-----------------|
|                          | MSME                 | Others          | Total           |
| Not Due                  | 49.88                | 887.37          | 937.26          |
| Less Than 1 year         | 23.01                | 1,185.32        | 1,208.33        |
| 1-2 years                | 0.88                 | 30.71           | 31.59           |
| 2-3 years                | 1.44                 | 11.34           | 12.78           |
| More than 3 years        | 9.12                 | 52.62           | 61.73           |
| <b>Total Outstanding</b> | <b>84.33</b>         | <b>2,167.35</b> | <b>2,251.69</b> |

(₹ in lakhs)

| Particulars              | As at March 31, 2024 |                 |                 |
|--------------------------|----------------------|-----------------|-----------------|
|                          | MSME                 | Others          | Total           |
| Not Due                  | -                    | 495.04          | 495.04          |
| Less Than 1 year         | 1.74                 | 1,080.58        | 1,082.32        |
| 1-2 years                | 0.88                 | 41.41           | 42.29           |
| 2-3 years                | 1.44                 | 86.26           | 87.70           |
| More than 3 years        | 9.12                 | 31.63           | 40.75           |
| <b>Total Outstanding</b> | <b>13.18</b>         | <b>1,734.92</b> | <b>1,748.10</b> |

20.2 There were no disputed trade payables as at March 31, 2025 and March 31, 2024.

## 21. Income tax assets

(₹ in lakhs)

| Particulars              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| <b>Income tax assets</b> |                         |                         |
| Advance Tax (Net)        | 130.31                  | 152.08                  |
| <b>Total</b>             | <b>130.31</b>           | <b>152.08</b>           |

## 22. Revenue from operations

(₹ in lakhs)

| Particulars                                     | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-------------------------------------------------|------------------------------|------------------------------|
| <b>A) Revenue from contracts with customers</b> |                              |                              |
| (i) Sale of products                            |                              |                              |
| Manufactured Goods                              | 4,943.84                     | 8,620.83                     |
| Sale of Power                                   | 3,746.91                     | 3,727.56                     |
| (ii) Sale of services                           |                              |                              |
| Processing Income                               | 179.41                       | 116.59                       |
|                                                 | <b>8,870.16</b>              | <b>12,464.98</b>             |
| <b>B) Other operating income</b>                |                              |                              |
| i) Waste Sales                                  | 105.72                       | 281.91                       |
| <b>Total</b>                                    | <b>8,975.88</b>              | <b>12,746.88</b>             |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 22.1. Reconciliation of revenue recognised with contract price:

(₹ in lakhs)

| Particulars                                    | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|------------------------------------------------|------------------------------|------------------------------|
| Total contract price with customers            | 8,880.94                     | 12,486.15                    |
| Less: adjusted for discounts and rebates       | (10.78)                      | (21.17)                      |
| Less: adjusted for sales returns               | -                            | -                            |
| <b>Revenue recognised (Goods and Services)</b> | <b>8,870.16</b>              | <b>12,464.98</b>             |

### 23. Other Income

(₹ in lakhs)

| Particulars                                                                     | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>a) Interest income earned on financial assets measured at amortised cost</b> |                              |                              |
| i) Interest on unsecured loan (From subsidiary)                                 | 331.57                       | 421.20                       |
| ii) Bank deposits                                                               | 0.43                         | 0.27                         |
| iii) Interest on Security Deposits (From others)                                | 93.02                        | 115.78                       |
| <b>Total (a)</b>                                                                | <b>425.02</b>                | <b>537.25</b>                |
| <b>b) Other Non-Operating Income</b>                                            |                              |                              |
| i) Credit balances/ excess provision written back                               | 0.56                         | 3.46                         |
| ii) Rent income                                                                 | 160.80                       | 118.78                       |
| iii) Miscellaneous income                                                       | 74.44                        | 69.65                        |
| <b>Total ( b )</b>                                                              | <b>235.80</b>                | <b>191.89</b>                |
| <b>c) Other gains and losses</b>                                                |                              |                              |
| i) Gain/(loss) on disposal of PPE                                               | 145.20                       | (13.69)                      |
| ii) Net foreign exchange gains/(losses)                                         | -                            | -                            |
| <b>Total (c)</b>                                                                | <b>145.20</b>                | <b>(13.69)</b>               |
| <b>Total (a+b+c)</b>                                                            | <b>806.02</b>                | <b>715.45</b>                |

### 24. Cost of materials consumed

(₹ in lakhs)

| Particulars                                      | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|--------------------------------------------------|------------------------------|------------------------------|
| Raw material Stocks at the beginning of the Year | 215.14                       | 280.04                       |
| Purchases during the year                        | 3,458.27                     | 6,163.94                     |
|                                                  | <b>3,673.41</b>              | <b>6,443.98</b>              |
| Less: Raw material Stocks at the end of the Year | (225.41)                     | (215.14)                     |
|                                                  | <b>3,448.00</b>              | <b>6,228.84</b>              |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 25. Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

| Particulars                                                          | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|----------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Changes in inventories of finished goods and work-in-progress</b> |                              |                              |
| <b>Inventories at the end of the year:</b>                           |                              |                              |
| i) Finished goods (including stock in transit)                       | 506.02                       | 567.54                       |
| ii) Work-in-progress                                                 | 254.78                       | 352.79                       |
| <b>Total (a)</b>                                                     | <b>760.80</b>                | <b>920.33</b>                |
| <b>Inventories at the beginning of the year:</b>                     |                              |                              |
| i) Finished goods (including stock in transit)                       | 567.54                       | 663.76                       |
| ii) Work-in-progress                                                 | 352.79                       | 469.62                       |
| <b>Total (b)</b>                                                     | <b>920.33</b>                | <b>1,133.38</b>              |
| <b>Net decrease/(increase)(b-a)</b>                                  | <b>159.53</b>                | <b>213.05</b>                |

## 26. Employee benefits expense

(₹ in lakhs)

| Particulars                                   | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-----------------------------------------------|------------------------------|------------------------------|
| i) Salaries and Wages                         | 2,043.38                     | 2,344.99                     |
| ii) Contribution to provident and other funds | 412.07                       | 459.94                       |
| iii) Staff Welfare Expenses                   | 125.33                       | 106.46                       |
| <b>Total</b>                                  | <b>2,580.78</b>              | <b>2,911.39</b>              |

## 27. Finance costs

(₹ in lakhs)

| Particulars                                                   | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------------------------------------------|------------------------------|------------------------------|
| <b>At amortised costs:</b>                                    |                              |                              |
| i) Interest on term loans                                     | 1,550.96                     | 1,517.20                     |
| ii) Interest on Inter corporate deposits from related parties | 789.42                       | 855.84                       |
| iii) Interest on Preference Shares considered as debt         | 398.87                       | -                            |
| iv) Interest on delayed payment of dues                       | 63.77                        | 95.90                        |
| v) Unwinding of interest on lease liabilities                 | 0.87                         | 1.25                         |
| vi) Other borrowing cost                                      | 152.28                       | 31.35                        |
| <b>Total</b>                                                  | <b>2,956.17</b>              | <b>2,501.54</b>              |

## 28. Depreciation and Amortisation expenses

(₹ in lakhs)

| Particulars                                  | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|----------------------------------------------|------------------------------|------------------------------|
| i) Depreciation of property, plant equipment | 1,893.08                     | 1,964.62                     |
| ii) Amortisation of Intangible assets        | 1.81                         | 1.80                         |
| iii) Amortisation of Right of Use assets     | 2.17                         | 2.17                         |
| <b>Total</b>                                 | <b>1,897.06</b>              | <b>1,968.59</b>              |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 29. Other expenses

(₹ in lakhs)

| Particulars                                       | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------------------------------|------------------------------|------------------------------|
| Consumption of stores and spare parts             | 26.78                        | 36.32                        |
| Consumption of packing Material                   | 80.24                        | 111.90                       |
| Operation and Maintenance Charges (Solar Plant)   | 261.02                       | 202.86                       |
| Processing charges                                | 11.18                        | 43.54                        |
| Power and fuel                                    | 746.04                       | 991.92                       |
| Transportation, freight and handling charges      | 72.79                        | 111.55                       |
| Hank Yarn Obligation                              | 6.31                         | 12.82                        |
| Rent and hire charges                             | 3.49                         | 3.48                         |
| Repairs to :                                      |                              |                              |
| i) Buildings                                      | 17.83                        | 20.84                        |
| ii) Plant and machinery                           | 32.14                        | 74.65                        |
| iii) Others                                       | 56.55                        | 87.13                        |
| Insurance                                         | 104.45                       | 116.99                       |
| Rates and taxes                                   | 151.59                       | 149.72                       |
| Brokerage and commission                          | 1.23                         | 21.44                        |
| Printing and Stationery                           | 5.71                         | 6.23                         |
| Communication                                     | 7.09                         | 6.06                         |
| Legal and professional charges                    | 231.97                       | 69.22                        |
| Retainership Charges                              | 58.03                        | -                            |
| Travelling and conveyance                         | 6.67                         | 11.39                        |
| Sundry Balances written off                       | 0.10                         | 0.33                         |
| Directors Sitting Fees                            | 18.64                        | 16.85                        |
| Provision for doubtful trade receivables          | -                            | 93.42                        |
| Miscellaneous expenses                            | 179.88                       | 125.02                       |
| <b>Total</b>                                      | <b>2,079.73</b>              | <b>2,313.68</b>              |
| <b>Payment to auditors</b>                        |                              |                              |
| <b>a) To Statutory auditors</b>                   |                              |                              |
| i) For audit                                      | 15.00                        | 10.00                        |
| ii) For tax audit fees                            | 2.00                         | 2.00                         |
| iii) For limited review and certification         | 8.25                         | 7.00                         |
|                                                   | <b>25.25</b>                 | <b>19.00</b>                 |
| <b>b) To Cost auditors</b>                        | 1.80                         | 1.50                         |
| <b>c) Reimbursement of out of pocket expenses</b> | 0.34                         | 0.38                         |
| <b>Total (a+b+c)</b>                              | <b>27.39</b>                 | <b>20.88</b>                 |
| <b>Total</b>                                      | <b>2,107.12</b>              | <b>2,334.56</b>              |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....****30 Exceptional Item - Income**

(₹ in lakhs)

| Particulars                                                                       | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|
| (i) Reversal of provision against demand / export obligations under EPCG licences | -                            | 938.95                       |
| (ii) Term Loan refinancing cost                                                   | 879.63                       | -                            |
| (iii) Solar Power Plant restoration cost                                          | 333.73                       | -                            |
| <b>Total</b>                                                                      | <b>1,213.36</b>              | <b>938.95</b>                |

- (i) Exceptional item of ₹ 938.95 Lakhs during the year ended March 31, 2024 was pertaining to reversal of provision which was carried by the Company over the previous years against demands/export obligations under certain EPCG Licenses which has now been settled in favour of the Company with redemption of Letter of Undertaking (LUT) consequent to the submissions made by the Company to respective authorities.
- (ii) During the last quarter of the financial year ended March 31, 2025, the Company has obtained a term loan of ₹ 17,325 lakhs from Indian Renewable Energy Development Agency Limited (IREDA) for the purpose of refinancing by prepayment of existing loans and meeting operational expenses related to its solar power plant. Accordingly, the Company has prepaid the outstanding loans of the existing lenders. The aggregate cost of refinancing amounted to ₹ 879.63 lakhs. This includes prepayment charges and other fees levied by the existing lenders, as well as unamortised borrowing costs related to the settled loans. In accordance with the effective interest rate method prescribed under Ind AS 109, these costs have been recognised in the Statement of Profit and Loss upon settlement of the respective loans. Due to the non-recurring nature and materiality of the amount, these costs pertaining to refinancing have been shown under exceptional items.
- (iii) During the last quarter of the financial year ended March 31, 2025, the Company's solar power plant ("the Plant") experienced five fire incidents (two major and three minor) on January 16, February 3, February 15, March 4, and March 6, 2025. These incidents resulted in cumulative damage affecting up to 20 MW of the Plant's total 40 MW capacity. There were no casualties or loss of life, human or otherwise, associated with these events. Preliminary investigations identified the primary cause as sparks from certain plant wiring, which ignited dry grass under summer weather conditions. The Company promptly initiated restoration activities, and as of March 31, 2025, the Plant had resumed operations at 35 MW capacity. The Company has incurred, including estimated provisions for the remaining restoration work, a total cost of ₹333.73 lakhs, which has been disclosed as an exceptional item in the standalone financial statements. The entire Plant is adequately insured against both material damage and loss of profit. The insurance provider has completed the site survey, and the Company is in the process of filing an insurance claim for the losses incurred.

**31. Earnings per share**

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

(₹ in lakhs)

| Particulars                                                                                                                     | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| A) Profit/(loss) for the year attributable to owners of the Company                                                             | (4,580.12)                   | (1,756.70)                   |
| B) Number of equity shares for the purposes of basic/diluted earnings per share [Quantity in Lakhs; Nominal value of ₹ 10 each] | 64.99                        | 64.99                        |
| <b>Total</b>                                                                                                                    | <b>(70.47)</b>               | <b>(27.03)</b>               |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 32. Employee benefits obligations :

#### Defined-contribution plans:

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

(₹ in lakhs)

| Particulars               | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------|------------------------------|------------------------------|
| Provident fund            | 207.46                       | 231.20                       |
| Superannuation fund       | -                            | 9.84                         |
| <b>Total contribution</b> | <b>207.46</b>                | <b>241.04</b>                |

#### Defined Benefit Plan:

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

(₹ in lakhs)

| Particulars                                                                    | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|--------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>a) Change in Present Value of Obligation</b>                                |                              |                              |
| Present value of the obligation at the beginning of the year                   | 1,782.47                     | 1,879.93                     |
| Current Service Cost                                                           | 52.33                        | 56.62                        |
| Interest Cost                                                                  | 119.06                       | 133.26                       |
| Past Service Cost - Vested Benefit                                             | -                            | -                            |
| Past service cost                                                              | -                            | -                            |
| Benefit paid direct by the employer                                            | -                            | (5.50)                       |
| Actuarial (Gain) / Loss on Obligation due to experience                        | (88.28)                      | (91.29)                      |
| Actuarial (Gain) / Loss on Obligation due to change in financial assumptions   | 42.75                        | 18.32                        |
| Actuarial (Gain) / Loss on Obligation due to change in demographic assumptions | -                            | -                            |
| Benefits Paid                                                                  | (164.56)                     | (208.88)                     |
| <b>Present value of the obligation at the end of the year</b>                  | <b>1,743.78</b>              | <b>1,782.47</b>              |
| <b>b) Change in Plan Assets</b>                                                |                              |                              |
| <b>Fair value of Plan Assets at the beginning of the year</b>                  | <b>1,477.18</b>              | <b>1,572.59</b>              |
| Interest Income                                                                | 97.09                        | 110.49                       |
| Return on plan assets excluding interest income                                | 10.06                        | 2.97                         |
| Contributions by The employer                                                  | 0.25                         | -                            |
| Benefits Paid                                                                  | (164.56)                     | (208.88)                     |
| <b>Fair value of Plan Assets at the end of the year</b>                        | <b>1,420.01</b>              | <b>1,477.18</b>              |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Particulars                                                                            | Year Ended<br>March 31, 2025                         | Year Ended<br>March 31, 2024                         |
|----------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>c) Amounts Recognised in the Balance Sheet</b>                                      |                                                      |                                                      |
| Present value of Obligation at the end of the year                                     | (1,743.78)                                           | (1,782.47)                                           |
| Fair value of Plan Assets at the end of the year                                       | 1,420.01                                             | 1,477.18                                             |
| <b>Net asset/(liability) at the end of the year</b>                                    | <b>(323.76)</b>                                      | <b>(305.29)</b>                                      |
| <b>d) Amounts Recognised in the Statement of Profit and Loss</b>                       |                                                      |                                                      |
| Current Service Cost                                                                   | 52.33                                                | 56.62                                                |
| Finance cost / (income)                                                                | 21.98                                                | 22.77                                                |
| <b>Net impact on the loss before tax</b>                                               | <b>74.31</b>                                         | <b>79.40</b>                                         |
| <b>e) Amounts Recognised in Other Comprehensive Income</b>                             |                                                      |                                                      |
| Actuarial (gains) / losses for the period                                              | (45.53)                                              | (72.96)                                              |
| Return on plan asset excluding interest income                                         | (10.06)                                              | (2.98)                                               |
| <b>Net (income) / expenses for the period recognised in other comprehensive income</b> | <b>(55.59)</b>                                       | <b>(75.95)</b>                                       |
| <b>f) Actual return on Plan Assets</b>                                                 |                                                      |                                                      |
| Interest Income                                                                        | (97.09)                                              | (110.49)                                             |
| Actuarial Gain / (Loss) on Plan Assets                                                 | -                                                    | -                                                    |
| <b>Actual return on Plan Assets</b>                                                    | <b>(97.09)</b>                                       | <b>(110.49)</b>                                      |
| <b>g) Actuarial Assumptions</b>                                                        |                                                      |                                                      |
| i) Discount Rate                                                                       | 7.19%                                                | 7.19%                                                |
| ii) Expected Rate of Return on Plan Assets                                             | 7.19%                                                | 7.19%                                                |
| iii) Salary Escalation Rate                                                            | 4.00%                                                | 4.00%                                                |
| iv) Attrition Rate                                                                     | 2.00%                                                | 2.00%                                                |
| v) Mortality                                                                           | Indian Assured<br>Lives Mortality<br>(2012-14) Urban | Indian Assured<br>Lives Mortality<br>(2012-14) Urban |

(₹ in lakhs)

| Maturity Analysis of the benefit payments from the fund                      | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Projected Benefits payable in future years from the date of reporting</b> |                              |                              |
| 1 St Following Year                                                          | 243.67                       | 303.64                       |
| 2 nd Following Year                                                          | 158.80                       | 118.33                       |
| 3 rd Following Year                                                          | 174.24                       | 210.76                       |
| 4 th Following Year                                                          | 202.73                       | 170.74                       |
| 5 th Following Year                                                          | 166.12                       | 195.12                       |
| Sum of years 6 th to 10 th                                                   | 789.16                       | 788.76                       |
| Sum of years 11 th and above                                                 | 530.64                       | 659.77                       |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

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

(₹ in lakhs)

| <b>Sensitivity Analysis</b>                             | <b>Year ended<br/>March 31, 2025</b> | <b>Year ended<br/>March 31, 2024</b> |
|---------------------------------------------------------|--------------------------------------|--------------------------------------|
| Projected Benefit obligation On Current Assumptions     | 1,596.41                             | 1,653.99                             |
| Delta effect of +1% Change in rate of Discounting       | (69.98)                              | (73.21)                              |
| Delta effect of -1% Change in rate of Discounting       | 76.29                                | 80.09                                |
| Delta effect of +1% Change in rate of Salary increase   | 77.54                                | 81.84                                |
| Delta effect of -1% Change in rate of Salary increase   | (72.36)                              | (76.05)                              |
| Delta effect of +1% Change in rate of Employee Turnover | 9.80                                 | 13.28                                |
| Delta effect of -1% Change in rate of Employee Turnover | (10.41)                              | (14.15)                              |

Above disclosures have been made on the basis of certificate received from the actuary. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Management has made provision for gratuity payable to badli workers on the basis of internal valuation as in opinion of the management, the future expected service of badli workers could not be estimated. Provision for gratuity payable to badli workers on the basis of internal valuation as at March 31, 2025 is ₹ 362.47 lakhs (March 31, 2024 is ₹ 359.80 lakhs).

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

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

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

### 33A. Lease

The Company has taken certain office premises and leasehold land under non cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees. The Company has not entered into any sublease agreement.

Information in respect of leases for which right-of-use assets and corresponding lease liabilities have been recognised are as follows:

(₹ in lakhs)

| <b>Particulars</b>                                            | <b>March 31, 2025</b> | <b>March 31, 2024</b> |
|---------------------------------------------------------------|-----------------------|-----------------------|
| Carrying amount right-of-use assets at beginning of the year  | 4.31                  | 6.49                  |
| Additions to right-of-use assets during the year              | -                     | -                     |
| Deletions to right-of-use assets during the year              | -                     | -                     |
| Amortisation of right-of-use assets during the year           | 2.17                  | 2.18                  |
| Interest expense (unwinding of discount) on lease liabilities | 0.87                  | 1.25                  |
| Total cash outflows in respect of leases                      | 4.71                  | 4.50                  |
| Carrying amount right-of-use assets at year end               | 2.14                  | 4.31                  |



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....**

(Refer note 41 for maturity analysis of lease liabilities)

Lease rentals of ₹ 3.49 lakhs (PY: ₹ 3.48 lakhs) in respect of short term lease have been recognised in the statement of profit and loss as rent expense.

**33B. Financial Ratios**

| Ratio                                    | Numerator                                              | Denominator                  | March 31, 2025 | March 31, 2024 | % Variance | Remarks [For variance more than 25%]                                                   |
|------------------------------------------|--------------------------------------------------------|------------------------------|----------------|----------------|------------|----------------------------------------------------------------------------------------|
| Current Ratio (times)                    | Total Current Assets                                   | Total Current Liabilities    | 0.39           | 0.41           | -5%        | -                                                                                      |
| Inventory turnover ratio (times)         | Cost of goods sold                                     | Average Inventory            | 2.99           | 4.52           | -34%       | Due to significant reduction in turnover and resulting reduction in cost of good sold. |
| Trade receivables turnover ratio (times) | Revenue from Operations                                | Average Accounts Receivable  | 9.94           | 13.16          | -24%       | -                                                                                      |
| Trade payable turnover ratio (times)     | Purchases                                              | Average Accounts Payable     | 1.73           | 2.88           | -40%       | Due to significant reduction in purchases.                                             |
| Net profit ratio (%)                     | Profit/ (Loss) for the year {before exceptional items} | Revenue from Operations      | -37.51%        | -21.15%        | 77%        | Due to increase in losses and reduction in turnover.                                   |
| Debt-equity ratio (times)                | Total Debt                                             | Shareholder's Equity         | -67.10         | 7.00           | -1059%     | Due to significant reduction in equity and increase in debts                           |
| Debt service coverage ratio (times)      | Earnings available for debt service                    | Debt Service                 | -0.12          | -0.18          | -35%       | Due to increase in repayment by refinancing of loans and negative earnings             |
| Return on equity ratio (%)               | Net Profit after taxes                                 | Average Shareholder's Equity | -289.06%       | -144.17%       | 100%       | Due to significant increase in losses                                                  |
| Return on capital employed (%)           | Earning before interest and taxes                      | Average Capital Employed     | -5.63%         | 2.79%          | -302%      | Due to significant increase in losses                                                  |

Note: Since net working capital of the Company is negative, net capital turnover ratio is considered not applicable.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 34. Related Party Disclosures

#### Name of the Related Parties and Description of Relationship:

##### Holding Company

Shapoorji Pallonji and Company Private Limited.

##### Subsidiary - Direct

Gokak Power & Energy Limited

##### Fellow Subsidiaries (where there are transactions)

Forvol International Services Limited  
 Evangelos Ventures Private Limited  
 Shapoorji Pallonji Infrastructure Capital Company Private Limited  
 Shapoorji Pallonji Development Managers Private Limited  
 Sterling & Wilsons Private Limited  
 Sharus Steel Products Private Limited

##### Trusts

Gokak Falls Education and medical Trust  
 The Gokak Mills Charitable Trust  
 Gokak Falls Education & Medical Trust

##### Key Management Personnel and their relatives:-

CEO and Managing Director, Mr. Gautam Kuntakar  
 Chief Financial Officer, Mr. Vipin Kumar Sharma  
 Company Secretary, Mr. Rakesh M. Nanwani

##### Directors:

Mr. Nikhil Bhatia  
 Mr. Pradip N. Kapadia (upto December 28, 2024)  
 Mr. D. G. Prasad (upto December 28, 2024)  
 Mr. Ganesan Rajamani (with effect from January 24, 2025)  
 Mr. Vinod Bhandawat  
 Ms. Tripti Nawani (upto February 14, 2024)  
 Mrs. Sunita Khanna (with effect from August 13, 2024)

#### Particulars of transaction with Related Parties

(₹ in lakhs)

| Year ended March 31, 2025<br>(Previous Year March 31, 2024)<br>Nature of Transactions |                          | Holding<br>Company | Subsidiary | Fellow<br>Subsidiaries | Key<br>Managerial<br>Personnel | Trust | Total  |
|---------------------------------------------------------------------------------------|--------------------------|--------------------|------------|------------------------|--------------------------------|-------|--------|
| <b>1</b>                                                                              | <b>INCOME</b>            |                    |            |                        |                                |       |        |
| (i)                                                                                   | Interest                 | -                  | 331.57     | -                      | -                              | -     | 331.57 |
|                                                                                       | Previous Year            | -                  | 421.20     | -                      | -                              | -     | 421.20 |
| (ii)                                                                                  | Sale of Goods & Services | -                  | -          | 33.98                  | -                              | 34.08 | 68.06  |
|                                                                                       | Previous Year            | -                  | -          | -                      | -                              | 34.08 | 34.08  |
| (iii)                                                                                 | Rent                     | -                  | -          | -                      | -                              | 51.81 | 51.81  |
|                                                                                       | Previous Year            | -                  | -          | -                      | -                              | 51.81 | 51.81  |
| <b>2</b>                                                                              | <b>EXPENSES</b>          |                    |            |                        |                                |       | -      |
| (i)                                                                                   | Rent                     | -                  | -          | -                      | -                              | -     | -      |
|                                                                                       | Previous Year            | -                  | -          | -                      | -                              | -     | -      |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Year ended March 31, 2025<br>(Previous Year March 31, 2024)                              | Holding<br>Company | Subsidiary | Fellow<br>Subsidiaries | Key<br>Managerial<br>Personnel | Trust | Total     |
|------------------------------------------------------------------------------------------|--------------------|------------|------------------------|--------------------------------|-------|-----------|
| <b>Nature of Transactions</b>                                                            |                    |            |                        |                                |       |           |
| (ii) <b>Services</b>                                                                     | 26.45              | 8.50       | 613.11                 | -                              | -     | 648.06    |
| Previous Year                                                                            | 16.04              | -          | 206.36                 | -                              | -     | 222.40    |
| (iii) <b>Purchase of Electricity (incl Electricity Tax)</b>                              |                    | 303.52     | -                      | -                              | -     | 303.52    |
| Previous Year                                                                            |                    | 341.18     | -                      | -                              | -     | 341.18    |
| (iv) <b>Director's sitting fees</b>                                                      | -                  | -          | -                      | 18.15                          | -     | 18.15     |
| Previous Year                                                                            | -                  | -          | -                      | 16.85                          | -     | 16.85     |
| (v) <b>Interest</b>                                                                      | -                  | -          | 789.42                 | -                              | -     | 789.42    |
| Previous Year                                                                            | -                  | -          | 855.84                 | -                              | -     | 855.84    |
| (vi) <b>KMP Remuneration</b>                                                             | -                  | -          | -                      | 116.19                         | -     | 116.19    |
| Previous Year                                                                            | -                  | -          | -                      | 95.28                          | -     | 95.28     |
| <b>3 Reimbursements</b>                                                                  |                    |            |                        |                                |       | -         |
| <b>Amount recovered on behalf</b>                                                        | -                  | -          | -                      | -                              | 12.73 | 12.73     |
| Previous Year                                                                            | -                  | -          | -                      | -                              | 13.16 | 13.16     |
| <b>4 Preference Shares Issued during the year</b>                                        | -                  | -          | -                      | -                              | -     | -         |
| Previous Year                                                                            | -                  | -          | -                      | -                              | -     | -         |
| <b>5 ICD Taken (novated loan)</b>                                                        | -                  | -          | 510.00                 | -                              | -     | 510.00    |
| Previous Year                                                                            | 6,427.30           | -          | -                      | -                              | -     | 6,427.30  |
| <b>6 Repayment of ICD received</b>                                                       | -                  | 823.83     | -                      | -                              | -     | 823.83    |
| Previous Year                                                                            | -                  | 815.70     | -                      | -                              | -     | 815.70    |
| <b>7 Deposits given</b>                                                                  | -                  | -          | -                      | -                              | -     | -         |
| Previous Year                                                                            | -                  | -          | -                      | -                              | -     | -         |
| <b>8 OUTSTANDINGS</b>                                                                    |                    |            |                        |                                |       | -         |
| <b>Deposits Receivables</b>                                                              | -                  | 1.00       | -                      | -                              | -     | 1.00      |
| Previous Year                                                                            | -                  | 1.00       | -                      | -                              | -     | 1.00      |
| <b>Receivables</b>                                                                       | -                  | -          | 28.27                  | -                              | -     | 28.27     |
| Previous Year                                                                            | -                  | -          | 18.24                  | -                              | -     | 18.24     |
| <b>Deposits Payables</b>                                                                 | -                  | -          | -                      | -                              | 33.32 | 33.32     |
| Previous Year                                                                            | -                  | -          | -                      | -                              | 33.32 | 33.32     |
| <b>Payables</b>                                                                          | 109.71             | 12.79      | 288.96                 | -                              | 0.85  | 412.32    |
| Previous Year                                                                            | 90.84              | 47.04      | 128.62                 | -                              | 0.69  | 267.20    |
| <b>ICD Payable</b>                                                                       | -                  | -          | 6,204.67               | -                              | -     | 6,204.67  |
| Previous Year                                                                            | -                  | -          | 10,781.33              | -                              | -     | 10,781.33 |
| <b>Perpetual Loans payables (Reclassified to Instruments entirely equity in nature )</b> | 12,417.70          | -          | 2,975.27               | -                              | -     | 15,392.98 |
| Previous Year                                                                            | 11,427.30          | -          | 2,465.27               | -                              | -     | 13,892.58 |
| <b>11% Redeemable Non-convertible Cumulative Preference Shares</b>                       | -                  | -          | 4,654.55               | -                              | -     | 4,654.55  |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Year ended March 31, 2025<br>(Previous Year March 31, 2024)<br>Nature of Transactions | Holding<br>Company | Subsidiary | Fellow<br>Subsidiaries | Key<br>Managerial<br>Personnel | Trust | Total     |
|---------------------------------------------------------------------------------------|--------------------|------------|------------------------|--------------------------------|-------|-----------|
| Previous Year                                                                         | -                  | -          | -                      | -                              | -     | -         |
| Corporate Guarantee                                                                   | -                  | -          | 17,325.00              | -                              | -     | 17,325.00 |
| Previous Year                                                                         | -                  | -          | -                      | -                              | -     | -         |
| ICD Receivable                                                                        | -                  | 5,491.57   | -                      | -                              | -     | 5,491.57  |
| Previous Year                                                                         | -                  | 5,990.57   | -                      | -                              | -     | 5,990.57  |

### 34A. Details of Related Party Transactions

(₹ in lakhs)

| Nature Of Transaction                                             | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Services Received (Expense)</b>                                |                              |                              |
| Shapoorji Pallonji And Company Private Limited                    | 26.45                        | 16.04                        |
| Forvol International Services Limited                             | 0.83                         | 3.50                         |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited | 612.27                       | 202.86                       |
| Gokak Power & Energy Limited                                      | 8.50                         | -                            |
| <b>Rent Income</b>                                                |                              |                              |
| The Gokak Falls Educational and Medical Trust                     | 45.00                        | 45.00                        |
| The Gokak Mills Charitable Trust                                  | 6.81                         | 6.81                         |
| <b>Interest Income</b>                                            |                              |                              |
| Gokak Power & Energy Limited                                      | 331.57                       | 421.20                       |
| <b>Service Income</b>                                             |                              |                              |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited | 33.98                        | -                            |
| The Gokak Mills Charitable Trust                                  | 34.08                        | 34.08                        |
| <b>Power purchase</b>                                             |                              |                              |
| Gokak Power & Energy Limited (Including Electricity Tax)          | 303.52                       | 341.18                       |
| <b>Interest Expense On ICD</b>                                    |                              |                              |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited | 698.42                       | 764.59                       |
| Shapoorji Pallonji Development Managers Private Limited           | 91.00                        | 91.25                        |
| <b>Loans/Perpetual Loans taken during the year</b>                |                              |                              |
| Evangelos Ventures Private Limited                                | 260.00                       | -                            |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Nature Of Transaction                                                                         | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-----------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Shapoorji Pallonji And Company Private Limited<br>(novated and converted into perpetual loan) | -                            | 6,427.30                     |
| Sharus Steel Products Private Limited                                                         | 250.00                       | -                            |
| <b>Perpetual Loans outstanding (Instruments entirely equity in nature)</b>                    |                              |                              |
| Shapoorji Pallonji And Company Private Limited                                                | 11,427.30                    | 11,427.30                    |
| Evangelos Ventures Private Limited                                                            | 2,725.27                     | 2,465.27                     |
| Sharus Steel Products Private Limited                                                         | 250.00                       | -                            |
| <b>Unsecured Loans outstanding</b>                                                            |                              |                              |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited                             | 5,690.64                     | 10,349.20                    |
| Shapoorji Pallonji Development Managers Private Limited                                       | 514.02                       | 432.12                       |
| <b>Preference shares issued</b>                                                               |                              |                              |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited                             | 4,654.55                     | -                            |
| <b>Corporate Guarantee (for loan taken by the Company)</b>                                    |                              |                              |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited (Guarantor)                 | 17,325.00                    | -                            |
| <b>Amounts recovered on behalf of :</b>                                                       |                              |                              |
| The Gokak Falls Educational and Medical Trust                                                 | 12.73                        | 13.16                        |
| <b>KMP Remuneration</b>                                                                       |                              |                              |
| R R Patil                                                                                     | -                            | 54.69                        |
| Vipan Kumar Sharma                                                                            | 32.44                        | 17.38                        |
| Rakesh M. Nanwani                                                                             | 16.40                        | 7.69                         |
| Gautam Kumtakar                                                                               | 67.35                        | 15.53                        |
| <b>Sitting Fees</b>                                                                           |                              |                              |
| Mr. Pradip Kapadia                                                                            | 4.05                         | 5.80                         |
| Mr. D G Prasad                                                                                | 4.05                         | 5.10                         |
| Ms. Tripti J. Navani                                                                          | -                            | 0.30                         |
| Mr. Nikhil Bhatia                                                                             | 5.15                         | 4.05                         |
| Mr. Vinod Bhandawat                                                                           | 1.90                         | 1.60                         |
| Mr. Ganesan Rajamani                                                                          | 1.80                         | -                            |
| Mrs. Sunita Khanna                                                                            | 1.20                         | -                            |
| Security Deposit given (outstanding)                                                          |                              |                              |
| Gokak Power & Energy Limited                                                                  | 1.00                         | 1.00                         |

# NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Nature Of Transaction                                             | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Receivables</b>                                                |                              |                              |
| Sterling & Wilsons Private Limited                                | 18.24                        | 18.24                        |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited | 10.02                        | -                            |
| <b>Security Deposits taken (outstanding)</b>                      |                              |                              |
| The Gokak Falls Educational and Medical Trust                     | 12.26                        | 12.26                        |
| The Gokak Mills Charitable Trust                                  | 21.06                        | 21.06                        |
| <b>Payables (creditors)</b>                                       |                              |                              |
| The Gokak Falls Educational and Medical Trust                     | 0.85                         | 0.69                         |
| Gokak Power & Energy Limited                                      | 12.79                        | 47.04                        |
| Forvol International Services Limited                             | -                            | 0.79                         |
| Forbes & Company Limited                                          | 6.79                         | 6.79                         |
| Shapoorji Pallonji And Company Private Limited                    | 109.71                       | 90.84                        |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited | 282.17                       | 121.05                       |
| <b>Perpetual Debentures</b>                                       |                              |                              |
| Shapoorji Pallonji and Company Private Limited                    | 990.40                       | -                            |
| <b>Repayment of ICD received (during the year)</b>                |                              |                              |
| Gokak Power & Energy Limited                                      | 823.83                       | 815.70                       |
| <b>ICD Receivable (outstanding)</b>                               |                              |                              |
| Gokak Power & Energy Limited                                      | 5,491.57                     | 5,990.57                     |

| Compensation of key management personnel of the Company | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------------------------------------|------------------------------|------------------------------|
| Short-term employee benefits                            | 116.18                       | 95.28                        |
| Post-employment benefits#                               | -                            | -                            |
| Other long-term benefits#                               | -                            | -                            |
| Share-based payments                                    | -                            | -                            |

# As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....****35. Micro, Small and Medium Enterprises**

Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2, 2006, the Company is required to make certain disclosures relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling and assimilating the relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available for all the suppliers, the disclosures have been made to the extent of information available with the Company.

(₹ in lakhs)

| Sr. No. | Particulars                                                                                                                                                                                                                                                                                                                   | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| 1       | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;                                                                                                                                                                                                        | 72.56                        | 1.59                         |
| 2       | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;                                                                | -                            | -                            |
| 3       | The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;                                                            | -                            | -                            |
| 4       | The amount of interest accrued and remaining unpaid at the end of year; and                                                                                                                                                                                                                                                   | 0.33                         | -                            |
| 5       | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | 11.44                        | 11.59                        |

**36. Fair Value Disclosures**

- A) The Company has not disclosed fair value for financial instruments carried at amortised cost because there carrying amount reflect a reasonable approximation of their fair values.

(₹ in lakhs)

|                                  | As at March 31, 2025 |        |                             | As at March 31, 2024 |        |                             |
|----------------------------------|----------------------|--------|-----------------------------|----------------------|--------|-----------------------------|
|                                  | FVTPL                | FVTOCI | Cost /<br>Amortised<br>Cost | FVTPL                | FVTOCI | Cost /<br>Amortised<br>Cost |
| <b>i) Financial Assets</b>       |                      |        |                             |                      |        |                             |
| Investments                      | 0.03                 | -      | 2,499.00                    | 0.03                 | -      | 2,499.00                    |
| Trade Receivables                | -                    | -      | 655.89                      | -                    | -      | 1,149.32                    |
| Cash and Bank Balances           | -                    | -      | 255.64                      | -                    | -      | 683.04                      |
| Bank balances other than above   | -                    | -      | 2.74                        | -                    | -      | 124.82                      |
| Loan to subsidiary               | -                    | -      | 5,491.57                    | -                    | -      | 5,990.57                    |
| Other Financial Assets           | -                    | -      | 188.75                      | -                    | -      | 1,432.67                    |
|                                  | 0.03                 | -      | 9,093.59                    | 0.03                 | -      | 11,879.42                   |
| <b>ii) Financial liabilities</b> |                      |        |                             |                      |        |                             |
| Borrowings                       | -                    | -      | 28,626.89                   | -                    | -      | 25,939.10                   |
| Lease Liabilities                | -                    | -      | 2,251.69                    | -                    | -      | 1,748.10                    |
| Trade Payables                   | -                    | -      | 5.58                        | -                    | -      | 9.42                        |
| Other Financial Liabilities      | -                    | -      | 920.94                      | -                    | -      | 5,180.89                    |
|                                  | -                    | -      | 31,805.10                   | -                    | -      | 32,877.51                   |

(FVTPL: Fair value through profit and loss; FVOCI: Fair value through other comprehensive income)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### B) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the standalone financial statements approximate their fair values.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 - Inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

#### Financial Assets

| Financial Assets                                | As at March 31, 2025 |                |         |         |         |       |
|-------------------------------------------------|----------------------|----------------|---------|---------|---------|-------|
|                                                 | Notes                | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| <b>Measured at FVTPL Investments (Unquoted)</b> |                      |                |         |         |         |       |
| Investments in Equity Instruments               | 6A(b)(i)             | 0.03           | -       | -       | 0.03    | 0.03  |

#### Financial Assets

|                                                 | As at March 31, 2024 |                |         |         |         |       |
|-------------------------------------------------|----------------------|----------------|---------|---------|---------|-------|
|                                                 | Notes                | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| <b>Measured at FVTPL Investments (Unquoted)</b> |                      |                |         |         |         |       |
| Investments in Equity Instruments               | 6A(b)(i)             | 0.03           | -       | -       | 0.03    | 0.03  |

Considering the value of investments, the management has determined the fair value of these investment as constant throughout the period till March 31, 2025.

### 37. Capital Management

The Company aims to optimise returns to shareholders and safeguard its ability to continue as a going concern and manage its capital effectively. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs and long-term operating plans. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics. The capital structure of the Company consists of net debt (borrowings as detailed in Note 15) and offset by cash and bank balances (as detailed in Note 10A and 10B) and total equity and financial liability in respect of preference share capital of the Company. For the purpose of this ratio, perpetual loans (instruments entirely equity in nature) have been considered as part of equity.

| The capital components of the Company are as given below: | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| <b>Total Equity</b>                                       | <b>(422.80)</b>         | <b>3,591.73</b>         |
| Short Term Borrowings                                     | 2,156.90                | 1,552.53                |
| Long Term Borrowings                                      | 26,469.99               | 24,386.57               |
| <b>Total Debt</b>                                         | <b>28,626.89</b>        | <b>25,939.10</b>        |
| Cash and bank balances                                    | 258.38                  | 807.86                  |
| <b>Net Debt</b>                                           | <b>28,368.51</b>        | <b>25,131.24</b>        |
| <b>Debt Equity Ratio = Net debt / Total Equity</b>        | <b>(67.10)</b>          | <b>7.00</b>             |



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....****38. Financial risk management objectives**

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

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

**39. Market Risk**

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

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

**40. Currency risk**

The Company's exposure to foreign currency risk is insignificant.

**41. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and bank balance and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company's finance department is responsible for liquidity, funding as well as settlement management. The processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows. Due to decline in operations and heavy fixed costs, the Company is facing liquidity issues since past few years. The Company is dependent upon the Parent and group entities for financial support. The Company does not have any banking credit facilities as at March 31, 2025.

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

(₹ in lakhs)

| Maturities of Financial Liabilities | Total            | As at March 31, 2025 |                 |                 |                   |
|-------------------------------------|------------------|----------------------|-----------------|-----------------|-------------------|
|                                     |                  | Upto 1 year          | 2 to 3 years    | 4 to 5 years    | 5 years and above |
| Borrowings                          | 28,626.89        | 2,156.90             | 9,451.40        | 1,895.16        | 15,123.43         |
| Trade Payables                      | 2,251.69         | 2,251.69             | -               | -               | -                 |
| Lease Liabilities                   | 5.58             | 0.42                 | 1.01            | 1.25            | 2.90              |
| Other Financial Liabilities         | 920.94           | 920.94               | -               | -               | -                 |
|                                     | <b>31,805.10</b> | <b>5,329.95</b>      | <b>9,452.41</b> | <b>1,896.41</b> | <b>15,126.33</b>  |

(₹ in lakhs)

| Maturities of Financial Liabilities | Total            | As at March 31, 2024 |                  |                 |                   |
|-------------------------------------|------------------|----------------------|------------------|-----------------|-------------------|
|                                     |                  | Upto 1 year          | 2 to 3 years     | 4 to 5 years    | 5 years and above |
| Borrowings                          | 25,939.10        | 1,552.53             | 12,681.54        | 2,196.16        | 9,508.86          |
| Trade Payables                      | 1,748.10         | 1,748.10             | -                | -               | -                 |
| Lease Liabilities                   | 9.42             | 4.35                 | 1.05             | 1.25            | 2.77              |
| Other Financial Liabilities         | 5,180.89         | 5,180.88             | -                | -               | -                 |
|                                     | <b>32,877.51</b> | <b>8,485.86</b>      | <b>12,682.59</b> | <b>2,197.41</b> | <b>9,511.63</b>   |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 42. Interest Rate Risk

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates from Parent group entities and other lenders from time to time. However, the reset of interest rate is not frequent. Significant part of loans are classified as instruments entirely equity in nature. All external borrowings of the Company carried fixed rate of interest during the year except in case of borrowing from IREDA which has interest reset frequency of one year.

#### Exposure to interest rate risk

The Company's interest rate risk arises from borrowings obtained at variable rates. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company. Since the floating rate borrowings of the Company has reset frequency of one year, the Company does not carry significant interest rate risk.

#### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### 43. Maturity pattern of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in lakhs)

| Maturities of Financial Assets | Total           | As at March 31, 2025 |              |              |                   |
|--------------------------------|-----------------|----------------------|--------------|--------------|-------------------|
|                                |                 | Upto 1 year          | 2 to 3 years | 4 to 5 years | 5 years and above |
| Investments                    | 2,499.03        | -                    | -            | -            | 2,499.03          |
| Trade Receivables              | 655.89          | 655.89               | -            | -            | -                 |
| Cash and Bank balances         | 255.64          | 255.64               | -            | -            | -                 |
| Bank balances other than above | 2.74            | 2.74                 | -            | -            | -                 |
| Loans to subsidiary            | 5,491.57        | -                    | -            | -            | 5,491.57          |
| Other Financial Assets         | 188.75          | 51.71                | -            | -            | 137.04            |
|                                | <b>9,093.62</b> | <b>965.98</b>        | -            | -            | <b>8,127.64</b>   |

(₹ in lakhs)

| Maturities of Financial Assets | Total            | As at March 31, 2024 |              |              |                   |
|--------------------------------|------------------|----------------------|--------------|--------------|-------------------|
|                                |                  | Upto 1 year          | 2 to 3 years | 4 to 5 years | 5 years and above |
| Investments                    | 2,499.03         | -                    | -            | -            | 2,499.03          |
| Trade Receivables              | 1,149.32         | 1,149.32             | -            | -            | -                 |
| Cash and Bank balances         | 683.04           | 683.04               | -            | -            | -                 |
| Bank balances other than above | 124.82           | 124.82               | -            | -            | -                 |
| Loans to subsidiary            | 5,990.57         | -                    | -            | -            | 5,990.57          |
| Other Financial Assets         | 1,432.67         | 17.54                | -            | -            | 1,415.13          |
|                                | <b>11,879.45</b> | <b>1,974.72</b>      | -            | -            | <b>9,904.73</b>   |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....****44. Contingent liabilities:-**

( ₹ in lakhs )

| Particulars                                                                                                                                                                                                                                                                                                                                              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Claims against the Company not acknowledged as debts</b>                                                                                                                                                                                                                                                                                              |                         |                         |
| <b>1 Taxes in dispute:-</b>                                                                                                                                                                                                                                                                                                                              |                         |                         |
| i) Excise duty Demand                                                                                                                                                                                                                                                                                                                                    | 110.38                  | 143.00                  |
| ii) Entry-tax                                                                                                                                                                                                                                                                                                                                            | 114.58                  | 114.58                  |
| iii) Service Tax and Penalty                                                                                                                                                                                                                                                                                                                             | 63.72                   | -                       |
| <b>2 Labour matters:-</b>                                                                                                                                                                                                                                                                                                                                |                         |                         |
| i) Labour matters in dispute                                                                                                                                                                                                                                                                                                                             | 95.00                   | 112.61                  |
| ii) Employee State Insurance                                                                                                                                                                                                                                                                                                                             | 4.37                    | 4.37                    |
| <b>3 Other:</b>                                                                                                                                                                                                                                                                                                                                          |                         |                         |
| i) Demand for increased lease rent<br>(as per lease rent agreement, rent was to be reviewed by the Government authorities; however it was not reviewed and demand for the same was raised during the year 2018-19. The Company has disputed on the grounds of inappropriate calculation and retrospective effect of the same in High court of Karnataka) | 9,858.98                | 9,858.98                |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                             | <b>10,247.03</b>        | <b>10,233.54</b>        |

**44.1** Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

**44.2** On December 12, 2023, the Company received a property tax demand, including interest, amounting to ₹ 131.94 lakhs from the Kunnur Town Municipal Office. This demand pertained to the financial years 2022-23 and 2023-24. The Company contested the applicability of the tax in the High Court of Karnataka, which, vide its order dated April 24, 2024, stayed the enforcement of the demand and granted time to the Municipal Office to file its objections. Since then, no further assessment or demand letters have been received from the Municipal Office in respect of this matter. The Company continues to carry a provision in its books for the full amount of the demand.

**44.3** The Company is subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

**45. Bonus Payable to employees**

Out of Bonus payable for the financial year 2022-23 ₹ 98.00 Lakhs, ₹ 73.12 lakhs has been paid in the month of October, 2024. Remaining balance of ₹24.88 lakhs for financial year 2022-23 and bonus payable for financial year 2023-24 of ₹ 112.21 lakhs has been deferred up to the month of November, 2025 as per terms agreed with Labour Union of the Company.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 46. Details of provision for contingencies

Provision for contingencies is towards the estimated liability on account of non-fulfilment of export obligations under the Export Promotion Capital Goods Scheme. The details of which are given below:

( ₹ in lakhs )

| Particulars                              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------|-------------------------|-------------------------|
| Balance as at the beginning of the year  | -                       | 938.95                  |
| Add: Provision made during the year      | -                       | -                       |
| Less: Reversal / utilisation during year | -                       | (938.95)                |
| Balance as at the end of the year        | -                       | -                       |

### 47 Disclosure as required by Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

| Name of Party                                                          | Relationship | Nature of Loan | Amount<br>(₹ In Lakhs) |
|------------------------------------------------------------------------|--------------|----------------|------------------------|
| Gokak Power & Energy Limited (loan given by way of Novation agreement) | Subsidiary   | Unsecured Loan | 5,491.57               |

Purpose of the loans given: The above loan is given for general corporate purpose.

48. The Company has incurred a net loss (including other comprehensive income) ₹ 4,524.53 lakhs for the year ended March 31, 2025 and its current liabilities exceed its current assets by ₹ 3,897.19 lakhs as at March 31, 2025. The Company has also accumulated losses of ₹ 22,870.02 lakhs and its net worth has been fully eroded as at March 31, 2025. The textile division of the Company has been facing slowdown in business and financial difficulties in managing its working capital requirements and payment to certain creditors and sections of its employees are running in arrears. The continuity of the operations of the Company's textile segment is dependent upon the continued operational and financial support of Shapoorji Pallonji And Company Private Limited ('SPCPL'). The Management believes that the financial situation of its textile division will improve in the coming period. Further, the Scheme of merger of Suryoday One Energy Private Limited (engaged in the business of solar power generation) and restructuring of the reserves of the Company was approved and effected as at March 31, 2024 which is expected to improve Company's financial position in the future. The Company, during the last quarter of the year, suffered few fire incidents (Refer Note 30(iii) under exceptional items for details) in the said solar power plant which has impacted the solar power revenue for the year ended March 31, 2025 as compared with expected revenue for the year from this segment. During the year, the Company has received additional financial support from SPCPL Group companies in the form of perpetual loan aggregating to ₹ 510.00 lakhs and SPCPL has in the past demonstrated its support to the Company and is committed to provide or arrange the required financial and operational support to the Company to continue as a going concern. Accordingly, and based on the support from the SPCPL Group, the standalone financial statements of the Company as a whole have been prepared on a going concern basis.

### 49. Segment reporting :-

The Chief Operating Decision maker of the Company examines Company's performance as two operating segments namely - Textiles and Power. The Company's sales during the year were restricted to India and the Company does not have any geographic segment. Out of the total revenue of textiles segment, three customers have contributed revenue more than 10% each during the year and in case of power segment, three customers have contributed revenue more than 10% each during the year.

#### A. Information about operating segment

The company's operating segment comprise of:

**Textiles:** consisting of manufacturing cotton yarn, blended yarn, industrial fabrics, terry towels, t-shirts, polos, undergarments, etc.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

**Power:** consisting of generation and distribution of solar power

## B. Segment revenues, results and other information

(₹ in lakhs)

| No. | Particulars                                | Year ended        |                   |
|-----|--------------------------------------------|-------------------|-------------------|
|     |                                            | March 31, 2025    | March 31, 2024    |
|     | <b>Segment revenue</b>                     |                   |                   |
|     | Textile                                    | 5,971.54          | 9,625.23          |
|     | Power                                      | 3,834.94          | 4,163.11          |
|     | inter segment                              | (24.58)           | (326.01)          |
|     | <b>Total Revenue</b>                       | <b>9,781.90</b>   | <b>13,462.33</b>  |
|     | <b>Segment result (Profit before tax)</b>  |                   |                   |
|     | Textile                                    | (2,325.49)        | (2,325.81)        |
|     | Power                                      | (2,254.63)        | (369.84)          |
|     | <b>Profit before exceptional items</b>     | <b>(4,580.12)</b> | <b>(2,695.65)</b> |
|     | Exceptional items                          | -                 | 938.95            |
|     | <b>Profit before tax</b>                   | <b>(4,580.12)</b> | <b>(1,756.70)</b> |
|     | Income taxes                               |                   |                   |
|     | - Current taxes                            | -                 | -                 |
|     | - Deferred taxes                           | -                 | -                 |
|     | <b>Profit after tax</b>                    | <b>(4,580.12)</b> | <b>(1,756.70)</b> |
|     | <b>Segment assets</b>                      |                   |                   |
|     | Textile                                    | 13,802.36         | 15,466.69         |
|     | Power                                      | 19,321.05         | 22,443.39         |
|     | inter segment                              | -                 | -                 |
|     | <b>Total assets</b>                        | <b>33,123.40</b>  | <b>37,910.08</b>  |
|     | <b>Segment liabilities</b>                 |                   |                   |
|     | Textile                                    | 10,313.12         | 9,464.88          |
|     | Power                                      | 23,233.08         | 24,853.46         |
|     | inter segment                              | -                 | -                 |
|     | <b>Total liabilities</b>                   | <b>33,546.20</b>  | <b>34,318.34</b>  |
|     | <b>Capital expenditures</b>                |                   |                   |
|     | Textile                                    | 0.92              | 14.07             |
|     | Power                                      | 171.54            | -                 |
|     | <b>Total capital expenditure</b>           | <b>172.46</b>     | <b>14.07</b>      |
|     | <b>Depreciation and amortisation</b>       |                   |                   |
|     | Textile                                    | 397.96            | 472.37            |
|     | Power                                      | 1,499.10          | 1,496.23          |
|     | <b>Total depreciation and amortisation</b> | <b>1,897.06</b>   | <b>1,968.60</b>   |

The Operating segments have been identified in line with the Ind AS 108, taking into account the nature of product, organisation structure, economic environment and internal reporting system.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 50. Disclosure requirement as notified by MCA pursuant to amended schedule III :

**50.1** The Company does not hold any Benami property and no proceeding has been initiated or pending against the Company for holding any Benami property.

**50.2** The Company did not have any transactions with companies struck off during the current or preceding financial year.

**50.3** During the year, the Company had filed charge creation for obtaining new terms loan to the Registrar of the Company with a delay of 22 days. The delay was on account of administrative reasons in receiving the relevant documents. The Company did not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period as at March 31, 2025.

**50.4** The Company has not traded or invested in Crypto currency or Virtual Currency during the current or preceding financial year.

**50.5** No funds have been advanced or loaned or invested by the Company to/in any intermediary with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Further, no funds have been received from any person or entity ('Funding parties') with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Funding Party.

**50.6** The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**50.7** The Company has not been declared as a wilful defaulter by lender during the current or preceding financial year.

**50.8** The Company has not made any Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

**51.** In accordance with Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company uses a central accounting software that includes a feature for recording an audit trail (edit log) of each and every transaction. This feature captures all changes made to the books of account, along with the date of such changes, within the software. The audit trail feature was operational throughout the year and was not tampered with. The Company has preserved the audit trail in accordance with statutory record retention requirements. However, the audit trail feature was not available in one software application used for maintaining the closing stock quantities of inventories and in one software used for payroll records. These software systems do not have any direct automated integration with the central accounting software. The Company has implemented manual controls to review and validate the data before the periodic accounting of inventory and payroll transactions in the central accounting system. The Company is in the process of implementing an audit trail feature in these supporting software applications as well. Despite these exceptions, the Company has established and maintained an adequate internal control framework and, based on its assessment, believes that the framework was effective as of March 31, 2025.

### 52. Composite Scheme of Arrangement accounted during previous financial year 2023-24:

The Hon'ble National Company Law Tribunal ('NCLT') , in its order dated April 24, 2024 ('the Order') approved the Composite Scheme of Arrangement for reduction of share capital and re-organisation of reserves of the Company and amalgamation (by way of absorption) of Suryoday One Energy Private Limited ('SOEPL' or 'transferor company') into the Company ('the Scheme').

Pursuant to the Order, the Appointed Date of the Scheme was fixed at April 01, 2022 and the Scheme become effective from May 24, 2024 i.e. the last date on which the certified copy of the Order was filed with the Registrar of the Companies by the both amalgamating companies.

The amalgamation was accounted by applying the principles as set out in Appendix C of IND AS 103 Business Combinations and in accordance with the Ministry of Corporate Affairs (MCA) circular dated August 21, 2019, the Company considered the Appointed Date (i.e. April 01, 2022) as the date of amalgamation. Accordingly, the Company prepared its standalone financial statements for the year ended March 31, 2024 after giving effect to the aforesaid Scheme. The figures for the previous year ended March 31, 2023 and April 01, 2022 ('Restated Period') were restated to give effect to the Scheme with effect from the Appointed Date.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....**

The figures for the Restated Period differed from the figures previously published by the Company due to the effect of above mentioned Scheme and were certified by the Management of the Company but were not subjected to audit by the statutory auditors of the Company.

On approval of the Scheme, with effect from the Appointed Date:

- (A) the Company accounted an aggregated gain on the extinguishment and cancellation of the equity and debt components of the preference shares and write back of borrowings (subsequently re-classified as perpetual loan - equity instruments) pertaining to the Shapoorji Pallonji And Company Private Limited (the Holding Company) directly into the opening Retained Earnings of the Company as at April 01, 2022 as follows:

| <b>Extinguishment of equity components / instruments wholly equity in nature / debt components</b> | <b>Amount<br/>(₹ Lakhs)</b> |
|----------------------------------------------------------------------------------------------------|-----------------------------|
| Extinguishment of equity component the preference shares                                           | 15,417.23                   |
| Write back of borrowings (subsequently classified as loan- instruments wholly equity in nature)    | 6,548.06                    |
| Extinguishment of debt component the preference shares                                             | 3,519.94                    |
| <b>Aggregate gain on extinguishment and write-back</b>                                             | <b>25,485.24</b>            |
| Less: Fair value of the consideration as at Appointed Date (instruments entirely equity in nature) | 990.40                      |
| <b>Net Gain accounted in opening retained earnings</b>                                             | <b>24,494.84</b>            |

The consideration, was payable by the way of issue of 23,58,10,000 fully paid-up 7% Perpetual Cumulative Debentures of face value ₹ 10 each which have been subsequently allotted. As per the terms of the said debentures, the debentures are of perpetual tenor and the coupon and redemption of the debentures is solely at the discretion of the Company. Accordingly, the same were considered to be instruments wholly equity in nature as per Ind AS 32 / Ind AS 109.

- (B) the Company accounted for amalgamation of SOEPL as per pooling of interest method prescribed in the 'Appendix C of Ind AS 103 - Business combinations of entities under common control' by combining the assets, liabilities and reserves of the SOEPL at their carrying amounts with only such adjustments which were required to harmonise the accounting policies. The consideration for amalgamation was payable to the shareholders of SOEPL in the form of 4,25,60,000 fully paid-up 11% Redeemable Non-convertible Cumulative Preference Shares of face value ₹ 10 each in proportion of their holdings in SOEPL on Record Date (i.e. May 22, 2024) as approved by the Board of Director which have been subsequently allotted. The difference between the consideration issuable and the equity share capital of SOEPL (a debit balance) was transferred to capital reserve on common control amalgamation as follows:

| <b>Particulars of balances of SOEPL as at Appointed Date</b> | <b>Amount<br/>(₹ Lakhs)</b> |
|--------------------------------------------------------------|-----------------------------|
| Aggregate carrying amount of assets of SOEPL taken over      | 26,946.80                   |
| Aggregate carrying amount of liabilities of SOEPL taken over | 27,078.39                   |
| Retained earnings of SOEPL taken over (Debit balance)        | (3,631.59)                  |

| <b>Particulars of balances of SOEPL as at Appointed Date</b>          | <b>Amount<br/>(₹ Lakhs)</b> |
|-----------------------------------------------------------------------|-----------------------------|
| Equity share capital of SOEPL cancelled                               | 3,500.00                    |
| Purchase Consideration to be issued as per scheme                     | (4,256.00)                  |
| <b>Capital Reserve (debit balance) on common control amalgamation</b> | <b>(756.00)</b>             |

Disclosures as per 'Appendix C of the Ind AS 103 - Business combinations of entities under common control' are as hereunder:

- (a) Names and general nature of business of the combining entities:
- Suryoday One Energy Private Limited ('Transferor') is engaged in the business of Solar Power generation
  - Gokak Textiles Limited ('Transferee') is engaged in the business of Textiles

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

- (b) Date on which the transferor obtains control of the transferee:

With effect from April 01, 2022 (i.e. the Appointed Date as per the Scheme)

- (c) Description and number of shares issued to effect the business combination:

4,25,60,000 fully paid-up 11% Redeemable Non-convertible Cumulative Preference Shares of face value ₹ 10 each in the ratio of 1,210 shares for each 1,000 equity shares of the transferor.

- (d) Difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof:

The difference of ₹ 756 Lakhs, being the excess of the consideration payable over the nominal amount of equity share capital of the transferor, was accounted as capital reserve (debit balance) arising from amalgamation of common control entities.

**53.** On May 13, 2025 at approximately 7:25 p.m., a severe lightning strike coincided with a failure of the 110 kV grid supply, causing both 25 MVA transformers, PTR-1 and PTR-2, at the Company's solar power plant to fail. A physical inspection of the transformers and their control-relay panels pointed to internal problems in PTR-2, so an external specialist team was engaged to test the unit. Comprehensive testing revealed damage to the winding coils, specifically the Y-phase coils. Because the coil/winding cannot be repaired on-site, the transformer will be sent to the manufacturer's (or repair vendor's) facility. The repair is expected to take approximately five to six weeks. As a result of the outage, 20 MW of the plant's 40 MW capacity is offline. The incident is classified as a non-adjusting subsequent event, so no changes have been made to the standalone financial statements for the year ended March 31, 2025.

**54.** These standalone financial statements were approved for issue by the board of directors on May 23, 2025.

**55.** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD & CEO)

(DIN: 09791999)



## INDEPENDENT AUDITORS' REPORT

To the Members of Gokak Textiles Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **Gokak Textiles Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2025, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, of the consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to Note 46 of the consolidated financial statements, which indicates that the Group has incurred a net loss for the year ended March 31, 2025 and that its current liabilities exceeded its current assets as at that date. The Group has accumulated significant losses and its net worth has been fully eroded. These conditions, along with reduced operations and increased financial stress, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the consolidated financial statements have been prepared on a going concern basis of accounting based on the reasons stated in the said Note. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. Those matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

| 1. Going Concern Assessment<br>(Refer Note 46 of the consolidated financial statements)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of Key Audit Matter:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | How the matter was addressed in our audit:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>The Group has incurred a net loss of ₹ 4,218.00 lakhs for year ended March 31, 2025 and its current liabilities exceeded its current assets by ₹ 3,895.57 lakhs as at that date. The Group has accumulated significant losses of Rs. 28,081.21 lakhs, and its net worth has been fully eroded. These conditions, along with reduced operations and increased financial stress, indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.</p> <p>We focused on this area due to the significance of management judgements adopted in assessment of the going concern assumption for the preparation of the consolidated financial statement and related material uncertainties.</p> <p>Refer above paragraph on "Material Uncertainty Related to Going Concern"</p> | <p>We performed the following principal audit procedures in relation to management's assessment of going concern:</p> <ul style="list-style-type: none"> <li>• Evaluated the appropriateness of management's use of going concern basis of accounting in the preparation of consolidated financial statements in accordance with Standard on Auditing issued by ICAI in this regard.</li> <li>• Evaluated the management's plans for future actions in relation to its going concern assessment, to assess whether the outcome of those plans is likely to improve the situation and whether management's plans are feasible in the circumstances.</li> <li>• Evaluated the appropriateness of identification of material uncertainties.</li> <li>• Assessed the possible mitigating actions identified by management in the event that actual cash flows are below forecast.</li> <li>• Discussed with management and assessed, the possible effect of liquidity stress in textile segment and its possible effect on the power segments.</li> <li>• Discussed and obtained a written letter from the ultimate holding company of the Group indicating its intention and ability to support the Group's financial and operating requirements through infusion or arrangement of additional capital / funds as and when necessary.</li> <li>• Evaluated disclosures in the financial statements for the Material Uncertainty Related to Going Concern and the related compliance with the requirements of the Standards on Auditing and the applicable financial reporting standards.</li> </ul> |

| 2. Impairment testing of Property Plant and Equipment<br>(Refer Note 4, Note 30(iii) and Note 51 of the consolidated financial statements)                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description of Key Audit Matter:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How the matter was addressed in our audit:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p>As at March 31, 2025, the carrying amounts of Property Plant and Equipment ("PPE") amounted to Rs. 23,799.55 lakhs, significant part which comprise of Rs. 18,022.95 lakhs pertaining to solar power plant ("Solar Plant") and the balance pertains to the hydro power and textile division of the Group.</p> <p>Certain PPE had impairment indicators on account of physical damages, reduced turnover and financial condition of the Company. Also refer above paragraph on "Material Uncertainty Related to Going Concern".</p> | <p>We performed the following principal audit procedures in relation to management's testing of impairment of PPE:</p> <ul style="list-style-type: none"> <li>• Identification and understanding of the significant controls implemented by the Group over the impairment testing process.</li> <li>• Understanding the restoration plans for certain assets along with physical verification of the PPE location and evaluation of the current status of the assets.</li> <li>• Analysis of the reasonableness of the principal assumptions made to estimate the recoverable amounts by obtaining information from management that we deemed to be significant.</li> </ul> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Further, during the last quarter of the financial year ended March 31, 2025, the Company's Solar Plant experienced five fire incidents, on January 16, February 3, February 15, March 4, and March 6, 2025 which impacted up to 20MW capacity of the Plant which was later restored up to 35MW as at March 31, 2025 and the balance capacity was under restoration. Subsequent to the financial year end, the Solar Plant again suffered failure in one of the transformers impacting 15MW as on May 13, 2025.</p> <p>The Group carries out impairment testing, based on indicators of impairment. For cash generation units ("CGU") to which these PPE belong and contain, the determination of recoverable amount, being the higher of fair value less costs to sell and value in use requires judgment on the part of management in both identifying and then valuing the relevant CGUs. Recoverable amounts are based on various variables which requires significant management judgement and estimation.</p> <p>We focused on this area due to the significance of management judgements adopted in assessing the recoverable amount with regard to the impairment assessment.</p> | <ul style="list-style-type: none"> <li>• Analysis of actual data of the year and previous years in comparison with the original plan, in order to assess the nature of variances and the reliability of the planning process.</li> <li>• We also examined the adequacy of the information provided by the Group about the impairment test and its consistency with the requirements of Ind AS 36.</li> </ul> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

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

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

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

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

### Responsibilities of Management and the Board of Director's for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the Consolidated state of affairs, Consolidated profit / loss and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Management and Board of Director 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 of the assets of the Group 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 consolidated financial statement 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 financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the respective company's financial reporting process.

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

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

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by 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 financial statements.
- b) In our opinion, proper books of account as required by law have been kept by the relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph '1. j) vi.' below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the books of account maintained by the Company and its subsidiary incorporated in India including the relevant records relating to the preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) The matter described in the 'Material Uncertainty Related to Going Concern' section above, in our opinion, may have an adverse effect on the functioning of the Group.
- f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and its subsidiary incorporated in India, none of the directors of the Holding Company and its subsidiary is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph '1. b)' above on reporting under Section 143(3)(b) of the Act and paragraph '1. j) vi.' below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of such controls.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us the remuneration paid by the Holding Company to the directors during the year is in accordance with the provisions of section 197 of the Act.
- j) 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 financial statements disclose the impact of pending litigations on the consolidated financial position of the group (Refer Note 44 of the consolidated 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 are no amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company.
  - iv. (a) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary

shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company or its subsidiary has not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks, the Holding Company and the subsidiary has used accounting software for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in case of one software used by the Holding Company for maintaining closing stock quantities of inventory, and one software used by both, the Holding Company and the subsidiary, for maintaining payroll records, did not have audit trail feature throughout the year. Further, in respect software for which audit trail existed, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail pertaining to the software for which it existed, has been preserved by the respective company as per the statutory requirements for record retention.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary included in the consolidated financial statements of the Group, we report that there are no qualifications or adverse remarks in these CARO reports except as disclosed below.

| Name of the entity       | CIN                   | Relationship    | Paragraph number of the CARO report.          |
|--------------------------|-----------------------|-----------------|-----------------------------------------------|
| Gokak Textiles Limited   | L17116KA2006PLC038839 | Holding Company | (i) Paragraph (xvii) and (ii) Paragraph (xix) |
| Gokak Power & Energy Ltd | U40103KA2012PLC062107 | Subsidiary      | (iii) Paragraph (xvii)                        |

(i) Pertains to cash losses in the current and immediately preceding financial year.

(ii) Pertains to material uncertainty relating to the capability of the company for meeting liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(iii) Pertains to cash losses in immediately preceding financial year.

#### For BATLIBOI & PUROHIT

Chartered Accountants  
ICAI Firm Reg. No.101048W

#### N. S. Gaur

Partner  
Membership No. 137138  
ICAI UDIN: 25137138BMGGHT4143

Place : Mumbai

Date : May 23, 2025

## Annexure - A to the Auditors' Report

### Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Gokak Textiles Limited ("the Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining Internal Financial Controls based on the Internal Controls with reference to consolidated financial statements established by the respective company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 respective 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 internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls. 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 with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to consolidated financial statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to consolidated financial statements included obtaining an understanding of Internal Financial Controls with reference to consolidated financial statements, 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 consolidated 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 Internal Financial Controls with reference to the consolidated financial statements of the Holding Company and its subsidiary.

#### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements 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 consolidated 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 consolidated financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial

statements 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, and to the best of our information and according to the explanations given to us the Holding Company and the said subsidiary have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2025 based on the internal controls with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note issued the ICAI.

### **For BATLIBOI & PUROHIT**

Chartered Accountants  
ICAI Firm Reg. No.101048W

### **N. S. Gaur**

Partner  
Membership No. 137138  
ICAI UDIN: 25137138BMGGHT4143

Place : Mumbai

Date : May 23, 2025



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025**

| Particulars                                  | Note No. | As at<br>March 31, 2025<br>(₹ in Lakhs) | As at<br>March 31, 2024<br>(₹ in Lakhs) |
|----------------------------------------------|----------|-----------------------------------------|-----------------------------------------|
| <b>Assets</b>                                |          |                                         |                                         |
| <b>1 Non-current assets</b>                  |          |                                         |                                         |
| a) Property, Plant and Equipment             | 4        | 23,799.55                               | 25,634.39                               |
| b) Capital work-in-progress                  | 4A       | -                                       | 5.95                                    |
| c) Right of use Assets                       | 5        | 2.15                                    | 4.31                                    |
| d) Intangible assets                         | 6        | 3.14                                    | 4.95                                    |
|                                              |          | <b>23,804.84</b>                        | <b>25,649.61</b>                        |
| e) Financial Assets:                         |          |                                         |                                         |
| i) Investments                               |          |                                         |                                         |
| a) Other Investments                         | 7        | 0.03                                    | 0.03                                    |
|                                              |          | <b>0.03</b>                             | <b>0.03</b>                             |
| ii) Other financial assets                   | 9A       | 136.04                                  | 1,414.13                                |
|                                              |          | <b>136.07</b>                           | <b>1,414.15</b>                         |
| f) Tax assets                                |          |                                         |                                         |
| i) Deferred tax assets (net)                 | 18       | -                                       | -                                       |
| ii) Income tax assets (net)                  | 21       | 138.33                                  | 159.55                                  |
|                                              |          | <b>138.33</b>                           | <b>159.55</b>                           |
| g) Other non-current assets                  | 12A      | 588.02                                  | 611.26                                  |
| <b>Total Non-current assets</b>              |          | <b>24,667.26</b>                        | <b>27,834.58</b>                        |
| <b>2 Current assets</b>                      |          |                                         |                                         |
| a) Inventories                               | 10       | 1,138.56                                | 1,290.00                                |
| b) Financial Assets:                         |          |                                         |                                         |
| i) Trade receivables                         | 8        | 672.24                                  | 1,179.50                                |
| ii) Cash and cash equivalents                | 11 A     | 257.18                                  | 684.75                                  |
| iii) Bank balances other than (ii) above     | 11 B     | 2.74                                    | 124.82                                  |
| iv) Other financial assets                   | 9B       | 51.71                                   | 17.54                                   |
|                                              |          | <b>983.87</b>                           | <b>2,006.61</b>                         |
| c) Other current assets                      | 12B      | 66.22                                   | 89.24                                   |
|                                              |          | <b>1,050.09</b>                         | <b>2,095.85</b>                         |
| d) Assets classified as held for sale        | 13       | 378.51                                  | 436.31                                  |
| <b>Total Current assets</b>                  |          | <b>2,567.16</b>                         | <b>3,822.16</b>                         |
| <b>Total Assets</b>                          |          | <b>27,234.42</b>                        | <b>31,656.73</b>                        |
| <b>Equity and Liabilities</b>                |          |                                         |                                         |
| <b>Equity</b>                                |          |                                         |                                         |
| a) Equity share capital                      | 14A      | 649.93                                  | 649.93                                  |
| b) Instruments entirely equity in nature     | 14B      | 15,472.97                               | 14,962.97                               |
| c) Other equity                              | 14C      | (21,676.88)                             | (17,288.57)                             |
| Equity attributable to owners of the Company |          | (5,553.98)                              | (1,675.67)                              |
| d) Non Controlling Interest                  |          | (1,709.25)                              | (1,879.57)                              |
| <b>Total Equity</b>                          |          | <b>(7,263.23)</b>                       | <b>(3,555.22)</b>                       |

| Particulars                          | Note No. | As at March 31, 2025<br>(₹ in Lakhs) | As at March 31, 2024<br>(₹ in Lakhs) |
|--------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>Liabilities</b>                   |          |                                      |                                      |
| <b>1 Non-current liabilities</b>     |          |                                      |                                      |
| a) Financial liabilities:            |          |                                      |                                      |
| i) Borrowings                        | 15       | 27,371.71                            | 25,233.15                            |
| ii) Lease Liabilities                |          | 5.16                                 | 5.58                                 |
| iii) Other financial liabilities     | 16A      | -                                    | 162.50                               |
|                                      |          | <b>27,376.87</b>                     | <b>25,401.23</b>                     |
| b) Provisions                        | 17A      | 658.05                               | 623.37                               |
| <b>Total Non-current liabilities</b> |          | <b>28,034.92</b>                     | <b>26,024.60</b>                     |
| <b>2 Current liabilities</b>         |          |                                      |                                      |
| a) Financial liabilities:            |          |                                      |                                      |
| i) Borrowings                        | 15       | 2,156.90                             | 1,552.53                             |
| ii) Lease Liabilities                |          | 0.42                                 | 3.84                                 |
| iii) Trade Payables                  | 20       |                                      |                                      |
| -dues to Micro and Small Enterprises |          | 84.33                                | 13.18                                |
| -dues to other Creditors             |          | 2,172.01                             | 1,698.18                             |
| iv) Other financial liabilities      | 16B      | 940.80                               | 5,039.29                             |
|                                      |          | 5,354.47                             | 8,307.02                             |
| b) Provisions                        | 17B      | 135.81                               | 142.37                               |
| c) Other current liabilities         | 19       | 972.45                               | 737.96                               |
|                                      |          | <b>6,462.73</b>                      | <b>9,187.35</b>                      |
| <b>Total Current Liabilities</b>     |          | <b>6,462.73</b>                      | <b>9,187.35</b>                      |
| <b>Total Liabilities</b>             |          | <b>34,497.65</b>                     | <b>35,211.95</b>                     |
|                                      |          |                                      |                                      |
| <b>Total Equity and Liabilities</b>  |          | <b>27,234.42</b>                     | <b>31,656.73</b>                     |

See accompanying notes forming part of the consolidated financial statements 1 to 53

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD & CEO)

(DIN: 09791999)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025**

| Particulars                                                          | Note No. | Year Ended<br>March 31, 2025<br>(₹ in Lakhs) | Year ended<br>March 31, 2024<br>(₹ in Lakhs) |
|----------------------------------------------------------------------|----------|----------------------------------------------|----------------------------------------------|
| <b>I Revenue from operations</b>                                     | 22       | 9,847.21                                     | 13,105.90                                    |
| <b>II Other income</b>                                               | 23       | 490.69                                       | 295.52                                       |
| <b>III Total Income</b>                                              |          | <b>10,337.90</b>                             | <b>13,401.41</b>                             |
| <b>IV Expenses:</b>                                                  |          |                                              |                                              |
| Cost of materials consumed                                           | 24       | 3,448.00                                     | 6,228.83                                     |
| Changes in inventories of finished goods and work-in-progress        | 25       | 159.53                                       | 213.05                                       |
| Employee benefits expense                                            | 26       | 2,665.07                                     | 2,989.62                                     |
| Finance costs                                                        | 27       | 3,012.18                                     | 2,557.56                                     |
| Depreciation and amortisation expense                                | 28       | 2,016.80                                     | 2,076.07                                     |
| Other expenses                                                       | 29       | 2,095.96                                     | 2,218.63                                     |
| <b>Total expenses</b>                                                |          | <b>13,397.54</b>                             | <b>16,283.77</b>                             |
| <b>V Profit / (Loss) before exceptional items and tax</b>            |          | <b>(3,059.64)</b>                            | <b>(2,882.36)</b>                            |
| <b>VI Exceptional items [Income/(expenses)]</b>                      | 30       | (1,213.36)                                   | 938.95                                       |
| <b>VII Profit / (Loss) before tax</b>                                |          | <b>(4,273.00)</b>                            | <b>(1,943.41)</b>                            |
| <b>VIII Tax expense:</b>                                             |          |                                              |                                              |
| (a) Current tax                                                      |          | -                                            | -                                            |
| (b) Deferred tax                                                     |          | -                                            | -                                            |
| <b>IX Profit / (Loss) for the year</b>                               |          | <b>(4,273.00)</b>                            | <b>(1,943.41)</b>                            |
| <b>X Other Comprehensive Income</b>                                  |          |                                              |                                              |
| (a) Items that will not be reclassified to profit or loss            |          |                                              |                                              |
| Remeasurement of the defined benefit plans                           |          | 55.00                                        | 75.81                                        |
| Other Comprehensive Income                                           |          | 55.00                                        | 75.81                                        |
| <b>XI Total Comprehensive Income for the year</b>                    |          | <b>(4,218.00)</b>                            | <b>(1,867.61)</b>                            |
| <b>XII Profit for the year attributable to:</b>                      |          |                                              |                                              |
| - Owners of the Company                                              |          | (4,443.61)                                   | (1,525.77)                                   |
| - Non-controlling interests                                          |          | 170.60                                       | (417.65)                                     |
|                                                                      |          | <b>(4,273.00)</b>                            | <b>(1,943.41)</b>                            |
| <b>XIII Other comprehensive income for the year attributable to:</b> |          |                                              |                                              |
| - Owners of the Company                                              |          | 55.29                                        | 75.87                                        |
| - Non-controlling interests                                          |          | (0.29)                                       | (0.06)                                       |
|                                                                      |          | <b>55.00</b>                                 | <b>75.81</b>                                 |
| <b>XIV Total comprehensive income for the year attributable to:</b>  |          |                                              |                                              |
| - Owners of the Company                                              |          | (4,388.32)                                   | (1,449.90)                                   |
| - Non-controlling interests                                          |          | 170.32                                       | (417.71)                                     |
|                                                                      |          | <b>(4,218.00)</b>                            | <b>(1,867.61)</b>                            |
| <b>XV Earning per equity share : (Face value of Rs. 10)</b>          | 31       |                                              |                                              |
| Basic and diluted earnings per equity share                          |          | (68.37)                                      | (23.48)                                      |

See accompanying notes forming part of the financial statements

1 to 53

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD &amp; CEO)

(DIN: 09791999)

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025

| PARTICULARS |                                                                          | Year ended<br>March 31, 2025<br>(₹ in Lakhs) | Year ended<br>March 31, 2024<br>(₹ in Lakhs) |
|-------------|--------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>A.</b>   | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                               |                                              |                                              |
|             | Profit / (Loss) before tax                                               | (4,273.00)                                   | (1,943.41)                                   |
|             | Adjustments for:                                                         |                                              |                                              |
|             | Depreciation and amortisation                                            | 2,016.80                                     | 2,076.07                                     |
|             | Write back of litigation provision                                       | -                                            | (938.95)                                     |
|             | Debt refinancing cost (exceptional item)                                 | 879.63                                       | -                                            |
|             | Interest income                                                          | (98.11)                                      | (116.05)                                     |
|             | Finance cost                                                             | 3,012.18                                     | 2,557.56                                     |
|             | Loss / (Profit) on sale of fixed assets                                  | (145.20)                                     | 13.69                                        |
|             | Credit balances / excess provision written back                          | (3.64)                                       | (4.31)                                       |
|             | Provision for Doubtful Debts (net of recoveries)                         | 0.10                                         | 93.75                                        |
|             | <b>Operating profit / (loss) before working capital changes</b>          | <b>1,388.76</b>                              | <b>1,738.35</b>                              |
|             | Adjustments for :                                                        |                                              |                                              |
|             | (Increase)/ Decrease in Inventories                                      | 151.43                                       | 291.31                                       |
|             | (Increase)/ Decrease in Trade receivables and other assets               | 1,797.33                                     | (537.93)                                     |
|             | Increase/ (Decrease) in Trade payables and other liabilities             | 850.11                                       | (101.68)                                     |
|             | Increase/ (Decrease) in Provisions                                       | 83.12                                        | 11.60                                        |
|             | <b>Cash generated from operations</b>                                    | <b>4,270.74</b>                              | <b>1,401.65</b>                              |
|             | Direct Taxes (paid) / refund                                             | 21.25                                        | (75.58)                                      |
|             | <b>Net cash flows from operating activities</b>                          | <b>4,292.00</b>                              | <b>1,326.07</b>                              |
| <b>B.</b>   | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                               |                                              |                                              |
|             | Purchase of fixed assets including CWIP                                  | (172.83)                                     | (22.56)                                      |
|             | Sale of Fixed Assets including assets held for sale                      | 131.80                                       | 35.07                                        |
|             | Advance received against sale of Investment Property                     | -                                            | 576.50                                       |
|             | Net Movement in bank balance not considered as cash and cash equivalents | 122.08                                       | (5.11)                                       |
|             | Interest received                                                        | 98.11                                        | 116.05                                       |
|             | <b>Net cash flows from investing activities</b>                          | <b>179.15</b>                                | <b>699.95</b>                                |
| <b>C.</b>   | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                               |                                              |                                              |
|             | Proceeds from Borrowing                                                  | 17,325.00                                    | 1,000.00                                     |
|             | Repayment of Borrowing                                                   | (19,529.39)                                  | (972.71)                                     |
|             | Proceeds from instrument wholly equity in nature (perpetual debt)        | 510.01                                       | -                                            |
|             | Payment of lease liabilities                                             | (4.70)                                       | (4.51)                                       |
|             | Finance cost paid (including debt refinancing cost)                      | (3,199.63)                                   | (1,652.65)                                   |
|             | <b>Net cash flows from financing activities</b>                          | <b>(4,898.72)</b>                            | <b>(1,629.87)</b>                            |
|             | <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>              | <b>(427.57)</b>                              | <b>396.15</b>                                |

| PARTICULARS |                                                           | Year ended<br>March 31, 2025<br>(₹ in Lakhs) | Year ended<br>March 31, 2024<br>(₹ in Lakhs) |
|-------------|-----------------------------------------------------------|----------------------------------------------|----------------------------------------------|
|             | Cash and Cash equivalents at the beginning of the year    | 684.75                                       | 288.60                                       |
|             | <b>Cash and Cash equivalents at the end of the period</b> | <b>257.18</b>                                | <b>684.75</b>                                |
| <b>D.</b>   | <b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>            |                                              |                                              |
|             | Cash on Hand                                              | 1.76                                         | 2.33                                         |
|             | Balances with banks in current accounts                   | 255.42                                       | 682.42                                       |
|             |                                                           | <b>257.18</b>                                | <b>684.75</b>                                |

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

(₹ in lakhs)

| Particulars                               | As at<br>April 1, 2024 | Net Cash inflow/<br>(outflow) | Non cash<br>movement (net) | As at<br>March 31, 2025 |
|-------------------------------------------|------------------------|-------------------------------|----------------------------|-------------------------|
| Borrowings (including current maturities) | 26,785.69              | (2,701.05)                    | 5,443.98                   | 29,528.61               |
| <b>Total Borrowings</b>                   | <b>26,785.69</b>       | <b>(2,701.05)</b>             | <b>5,443.98</b>            | <b>29,528.61</b>        |

**Notes:**

- 1 The Consolidated Statement of Cash Flows has been prepared following the indirect method specified under Ind AS 7 - Statement of Cash Flows.
- 2 Previous year's figures have been rearranged / regrouped wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kuntakar**

(MD &amp; CEO)

(DIN: 09791999)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

### A. Equity share Capital

Current reporting period

(₹ in Lakhs)

| Balance as at April 1, 2024 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance as at March 31, 2025 |
|-----------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|------------------------------|
| 649.93                      | -                                                          | 649.93                                                            | -                                                       | 649.93                       |

Previous reporting period

(₹ in Lakhs)

| Balance as at April 1, 2023 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance as at March 31, 2024 |
|-----------------------------|------------------------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|------------------------------|
| 649.93                      | -                                                          | 649.93                                                            | -                                                       | 649.93                       |

### B. Instruments entirely equity in nature- Perpetual Loans and Debentures

Current reporting period

(₹ in Lakhs)

| Balance as at April 1, 2024 | Changes in Instruments due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in Instruments during the current year | Balance as at March 31, 2025 |
|-----------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------|------------------------------|
| 14,962.97                   | -                                                 | 14,962.97                                                         | 510.00                                         | 15,472.97                    |

Previous reporting period

(₹ in Lakhs)

| Balance as at April 1, 2023 | Changes in Instruments due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in Instruments during the current year | Balance as at March 31, 2024 |
|-----------------------------|---------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------|------------------------------|
| 8,535.67                    | -                                                 | 8,535.67                                                          | 6,427.31                                       | 14,962.97                    |

**C. Other Equity**

Current reporting period

(₹ in Lakhs)

| Particulars                                                        | Equity Components of Compound Financial Instruments | Reserves and surplus |                   |             | Amalgamation Adjustment Account | Total Other Equity |
|--------------------------------------------------------------------|-----------------------------------------------------|----------------------|-------------------|-------------|---------------------------------|--------------------|
|                                                                    |                                                     | General reserve      | Retained earnings | Total       |                                 |                    |
| Balance at April 01, 2024                                          | -                                                   | 7,160.32             | (23,692.90)       | (16,532.58) | (756.00)                        | (17,288.57)        |
| Changes in accounting policy or prior period items                 | -                                                   | -                    | -                 | -           | -                               | -                  |
| Restated balance at the beginning of the previous reporting period | -                                                   | 7,160.32             | (23,692.90)       | (16,532.58) | (756.00)                        | (17,288.57)        |
| Profit / (Loss) for the year                                       | -                                                   | -                    | (4,443.61)        | (4,443.61)  |                                 | (4,443.61)         |
| Other Comprehensive Income for the year                            | -                                                   | -                    | 55.29             | 55.29       |                                 | 55.29              |
| Total comprehensive income for the year                            | -                                                   | -                    | (4,388.32)        | (4,388.32)  |                                 | (4,388.32)         |
| Balance at March 31, 2025                                          | -                                                   | 7,160.32             | (28,081.21)       | (20,920.89) | (756.00)                        | (21,676.88)        |

Previous reporting period

(₹ in Lakhs)

| Particulars                                                        | Equity Components of Compound Financial Instruments | Reserves and surplus |                   |             | Amalgamation Adjustment Account | Total Other Equity |
|--------------------------------------------------------------------|-----------------------------------------------------|----------------------|-------------------|-------------|---------------------------------|--------------------|
|                                                                    |                                                     | General reserve      | Retained earnings | Total       |                                 |                    |
| Balance at April 01, 2023                                          | -                                                   | 7,160.32             | (22,243.00)       | (15,082.68) | (756.00)                        | (15,838.68)        |
| Changes in accounting policy or prior period items                 | -                                                   | -                    | -                 | -           |                                 | -                  |
| Restated balance at the beginning of the previous reporting period | -                                                   | 7,160.32             | (22,243.00)       | (15,082.68) | (756.00)                        | (15,838.68)        |
| Profit / (Loss) for the year                                       | -                                                   | -                    | (1,525.77)        | (1,525.77)  |                                 | (1,525.77)         |
| Other Comprehensive Income for the year                            | -                                                   | -                    | 75.87             | 75.87       |                                 | 75.87              |
| Total comprehensive income for the year                            | -                                                   | -                    | (1,449.90)        | (1,449.90)  | -                               | (1,449.90)         |
| Balance at March 31, 2024                                          | -                                                   | 7,160.32             | (23,692.90)       | (16,532.58) | (756.00)                        | (17,288.57)        |

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD &amp; CEO)

(DIN: 09791999)

## 1 Group Information

Gokak Textiles Limited ("the Company or the Parent") and its subsidiary (together referred to as 'the Group') are engaged in the business of textile, manufacturing cotton yarn, blended yarn, industrial fabrics, terry towels, t-shirts, polos, undergarments, sweaters, etc. and generation of solar power and hydro power. The Parent Company is a public limited company incorporated and domiciled in India and has its registered office at Bangalore, Karnataka, India-560098. The Parent Company has its primary listings on the Bombay Stock Exchange in India.

The consolidated financial statements for the year ended March 31, 2025 were approved for issue by Company's Board of Directors on May 23, 2025."

## 2 Basis of Consolidation

### (i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### (ii) Non - controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### (iii) Transactions eliminated on consolidation

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### (iv) Entities considered in the consolidated financial statements:

| Name of the company          | Relationship | Country of incorporation | Ownership Interest (in %) |                |
|------------------------------|--------------|--------------------------|---------------------------|----------------|
|                              |              |                          | March 31, 2025            | March 31, 2024 |
| Gokak Power & Energy Limited | Subsidiary   | India                    | 51%                       | 51%            |

### (v) Principles of consolidation

These consolidated financial statements have been prepared by consolidation of the separate financial statements of the parent and its subsidiary on a line-by-line basis after fully eliminating the inter-group transactions.

#### a) Statement of Compliance :

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 [the Companies (Indian Accounting Standards) Rules, 2015 as amended thereon] and on accrual basis.



**b) Basis of Preparation and presentation :**

- i. The Consolidated financial statements of the group have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 as amended thereon and other relevant provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).
- ii. All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/ activities of the group and the normal time between acquisition of assets for processing and their realisation in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non current .
- iii. The consolidated financial statements have been prepared on a historical cost basis, except for the following:
  - (a) Certain financial assets and liabilities that are measured at fair value;
  - (b) Non-current assets held for sale - measured as lower of carrying value or fair value less cost to sale;
  - (c) Defined benefit plans - plan assets measured at fair value.
- iv. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

**3 Material Accounting Policies****(a) Use of Estimates :**

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

**Assumptions and estimations of uncertainties**

Information about assumptions and estimations of uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 18 - recognition of deferred tax assets
- Note 32 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 3(b) - useful life of property, plant and equipment;
- Note 3(e) - Financial Instruments."

**(b) Property, plant and equipment:**

The group has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. October 1, 2015 as the deemed cost under Ind AS. Hence, regarded thereafter as historical cost.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. The cost comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. "

Depreciation on property, plant and equipment has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013.

| Sr. No. | Particulars                   | Useful Life In years |
|---------|-------------------------------|----------------------|
| 1       | Factory Building & Structures | 3 to 60 years        |
| 2       | Residential Buildings         | 30 to 60 years       |
| 3       | Plant & Machinery             | 10 to 40 years       |
| 4       | Furniture, fixture            | 10 years             |
| 5       | Office Equipment              | 3 to 15 years        |
| 6       | Motor Vehicles                | 8 to 10 years        |

Estimated useful life of Plant & Machinery pertaining to solar power division is considered to be 25 years. Depreciation on such plant & Machinery is charged at the rate of 5.28% for the first 13 years and 1.78% for remaining 12 years (As per CERC Regulation, 2017).

**(c) Intangible Assets:**

Intangible assets are stated at cost less accumulated amortisation and impairment, if any. Intangible assets are amortized over the estimated useful life of respective intangible assets on a straight line basis, from the date they are available for use.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows: Computer Software - 6 Years

**(d) Investment property :**

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

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

**(e) Financial instruments :**

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

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

**Financial assets :**

The group classifies its financial assets in the following categories:

- (i) those to be measured subsequently at fair value (either through other comprehensive income or through the statement of profit and loss), and
- (ii) those measured at amortised cost

The classification depends on the group's business model for managing the financial assets and the contractual terms of the cash flows.

**Equity instruments:** The group measures its equity instruments at fair value through profit and loss.

**Impairment of financial assets:** The Group measures the expected credit loss associated with its assets based on historical trends, industrial practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### **Financial liabilities and equity :**

##### **Classification as debt or equity**

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

##### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

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

##### **Equity**

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

#### **(f) Inventories :**

Inventories are valued at lower of cost and net realisable value. Cost is determined as follows:

| Sr. No | Particulars                    | Method of determining cost                                                                                     |
|--------|--------------------------------|----------------------------------------------------------------------------------------------------------------|
| 1      | Stores, Spares and Loose Tools | Weighted average for Mills unit and FIFO basis for Garment Division.                                           |
| 2      | Raw Materials:                 |                                                                                                                |
|        | (i) Cotton & Other Fibers      | Specific identification for Mills unit and FIFO basis for garment unit.                                        |
|        | (ii) Others                    | Weighted average                                                                                               |
| 3      | Stock-in-Process               | Aggregate of material cost and production overheads and other attributable expenses up to stage of completion. |
| 4      | Finished Goods:                |                                                                                                                |
|        | (i) Produced                   | Aggregate of material cost and production overheads.                                                           |

Provision is made for the cost of obsolescence and other anticipated losses, wherever considered necessary.

#### **(g) Borrowing and Borrowing cost :**

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities or equity or both as per the terms attached.

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

**(h) Revenue Recognition :**

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Revenue from Generation, Transmission and Distribution of power is recognised net of cash discounts, for each unit of electricity delivered at the contracted rate.

Revenue from renewable energy certificates is recognised on actual basis.

**(i) Manufacturing and Operating Expenses :**

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

**(j) Foreign Exchange Transactions :**

The functional currency of the group is the Indian rupee. These consolidated financial statements are presented in Indian rupees (rounded off to lakh).

Foreign currency transactions are recorded at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at the year-end rate and difference in translation and realised gains and losses on foreign exchange transactions are recognised in the statement of profit and loss. “

**(k) Provisions and Contingent Liability :**

A provision is recognised when enterprise has present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Provisions are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or where any present obligation can not be measured in terms of future outflow of resources or where a reliable estimate of the obligation can not be made.”

**(l) Accounting for Taxes on Income :**

Tax expense for the year comprises of current tax and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act.

Deferred Tax Assets and Liabilities are measured using tax rates and tax laws that have been enacted / substantively enacted as on the balance sheet date. Deferred tax assets and liabilities are determined for all temporary timing difference arising between the taxable income and accounting income. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred Tax Assets/Liabilities are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it related to the items recognised in other comprehensive income or directly in equity.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the group will pay normal income tax during the specified period. The group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that group will pay normal income tax during the specified period.

**(m) Earnings per Share :**

Basic earnings per share is calculated by dividing the net profit / (loss) attributable to the owners of the group by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

**(n) Impairment of non-financial assets :**

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

**(o) Leases :**

**As a lessee**

The Group leases primarily consist of leases of land and office premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of commencement of the lease, the Group recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised."

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows."

**As a lessor**

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases."

**(p) Cash and cash equivalents :**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, bank overdraft, 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.

**(q) Non-current assets held for sale :**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets are not depreciated or amortised while they are classified as held for sale.

**(r) Segment reporting :**

The Operating segments have been identified in line with the Ind AS 108, taking into account the nature of product, organisation structure, economic environment and internal reporting system. The company's operating segment comprise of textiles and power.

**(s) Employee Benefits :**

**Short-term Obligations :**

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

**Other long-term employee benefit obligations**

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

**Defined Contribution Plans:**

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

**Defined Benefit Plan**

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

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

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

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income."

**(t) Cash flow statement :**

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

**(u) Business combinations - common control transactions**

Business combinations involving entities that are under common control are accounted for using the 'pooling of interest' method as follows:

- The assets and liabilities of The combining entities are reflected in their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to the capital reserve (amalgamation adjustment account) and is presented separately from other capital reserves.

**(v) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group. Additionally there were no new accounting standards notified which are applicable for subsequent reporting periods.

#### 4. Property, plant and equipment

(₹ in lakhs)

| Particulars                       | Land         | Building and structures | Plant and machinery | Furniture, fixtures and office equipments | Vehicles     | Total            |
|-----------------------------------|--------------|-------------------------|---------------------|-------------------------------------------|--------------|------------------|
| <b>Gross Block:</b>               |              |                         |                     |                                           |              |                  |
| <b>Balance at April 01, 2023</b>  | <b>11.10</b> | <b>3,766.42</b>         | <b>36,276.29</b>    | <b>203.38</b>                             | <b>54.13</b> | <b>40,311.32</b> |
| Additions                         | -            | 2.55                    | 10.93               | 2.92                                      | -            | 16.40            |
| Assets held for sale              | -            | -                       | (1,955.87)          | -                                         | -            | (1,955.87)       |
| Disposal                          | -            | -                       | (291.68)            | (0.42)                                    | -            | (292.09)         |
| <b>Balance at March 31, 2024</b>  | <b>11.10</b> | <b>3,768.97</b>         | <b>34,039.68</b>    | <b>205.88</b>                             | <b>54.13</b> | <b>38,079.76</b> |
| Additions                         | -            | -                       | 178.25              | -                                         | -            | 178.25           |
| Assets held for sale              | -            | -                       | -                   | -                                         | -            | -                |
| Disposal                          | -            | -                       | 0.10                | -                                         | 0.66         | 0.76             |
| <b>Balance at March 31, 2025</b>  | <b>11.10</b> | <b>3,768.97</b>         | <b>34,217.83</b>    | <b>205.88</b>                             | <b>53.47</b> | <b>38,257.25</b> |
|                                   |              |                         |                     |                                           |              |                  |
| <b>Accumulated Depreciation:</b>  |              |                         |                     |                                           |              |                  |
| <b>Balance at April 01, 2023</b>  | <b>-</b>     | <b>1,426.96</b>         | <b>10,538.77</b>    | <b>163.91</b>                             | <b>17.87</b> | <b>12,147.51</b> |
| Eliminated on disposals of assets | -            | 178.79                  | 1,884.70            | 2.77                                      | 5.85         | 2,072.10         |
| Assets held for sale              | -            | -                       | (1,530.91)          | -                                         | -            | (1,530.91)       |
| Depreciation expense              | -            | -                       | (243.02)            | (0.31)                                    | -            | (243.33)         |
| <b>Balance at March 31, 2024</b>  | <b>-</b>     | <b>1,605.75</b>         | <b>10,649.54</b>    | <b>166.36</b>                             | <b>23.72</b> | <b>12,445.37</b> |
| Eliminated on disposals of assets | -            | -                       | 0.10                | -                                         | 0.40         | 0.50             |
| Assets held for sale              | -            | -                       | -                   | -                                         | -            | -                |
| Depreciation expense              | -            | 175.77                  | 1,828.52            | 2.65                                      | 5.90         | 2,012.82         |
| <b>Balance at March 31, 2025</b>  | <b>-</b>     | <b>1,781.52</b>         | <b>12,477.96</b>    | <b>169.01</b>                             | <b>29.23</b> | <b>14,457.70</b> |
|                                   |              |                         |                     |                                           |              |                  |
| <b>Carrying Amount</b>            |              |                         |                     |                                           |              |                  |
| <b>Balance at March 31, 2024</b>  | <b>11.10</b> | <b>2,163.22</b>         | <b>23,390.14</b>    | <b>39.52</b>                              | <b>30.41</b> | <b>25,634.39</b> |
| <b>Balance at March 31, 2025</b>  | <b>11.10</b> | <b>1,987.46</b>         | <b>21,739.87</b>    | <b>36.87</b>                              | <b>24.25</b> | <b>23,799.55</b> |



**4.1 Title deeds of all immovable properties are held in the name of the Company except as follows:**

| Description of property | Gross carrying amount<br>(₹ In Lakhs) | Held in the name            | Whether promoter, director or their relatives | Period held since | Reason for not being in the name of the Company                                                                                                                                                                                                                                                                                              |
|-------------------------|---------------------------------------|-----------------------------|-----------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Freehold Land *         | 4.91                                  | Gokak Patel Volkart Limited | No                                            | 1992              | The title deeds were held in the name of erstwhile Gokak Patel Volkart Limited which amalgamated into Forbes Gokak Limited and subsequently was demerged into Gokak Textiles Limited. The Company is still in the process of transferring the title in the name of Company which are under litigation due to certain disputed legal matters. |

\*Classified under assets held for sale(Refer Note 13)

**4A. Capital Work-in-Progress:**

( ₹ in lakhs )

| Particulars                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|-------------------------|
| Projects in Progress           | -                       | 5.95                    |
| Projects Temporarily Suspended | -                       | -                       |
| <b>Total</b>                   | <b>-</b>                | <b>5.95</b>             |

Ageing Schedule for Projects in progress and Projects temporarily suspended :

( ₹ in lakhs )

| Particulars                    | Amount of CWIP as at March 31, 2025 |                |                |                       |                       | Total |
|--------------------------------|-------------------------------------|----------------|----------------|-----------------------|-----------------------|-------|
|                                | Less than<br>01 year                | 01-02<br>years | 02-03<br>years | More than<br>03 years | More than<br>03 Years |       |
| Projects in Progress           | -                                   | -              | -              | -                     | -                     | -     |
| Projects Temporarily Suspended | -                                   | -              | -              | -                     | -                     | -     |

| Particulars                    | Amount of CWIP as at March 31, 2024 |                |                |                       |                       | Total |
|--------------------------------|-------------------------------------|----------------|----------------|-----------------------|-----------------------|-------|
|                                | Less than<br>01 year                | 01-02<br>years | 02-03<br>years | More than<br>03 years | More than<br>03 Years |       |
| Projects in Progress           | 5.95                                | -              | -              | -                     | -                     | 5.95  |
| Projects Temporarily Suspended | -                                   | -              | -              | -                     | -                     | -     |

## 5. Right of use asset

(₹ In Lakhs)

| Particulars                                    | Leasehold land & Premises |
|------------------------------------------------|---------------------------|
| <b>Balance as at April 01, 2023</b>            | <b>26.93</b>              |
| Additions                                      | -                         |
| Deletion                                       | -                         |
| <b>Balance as at March 31, 2024</b>            | <b>26.93</b>              |
| Additions                                      | -                         |
| Deletion                                       | -                         |
| <b>Balance as at March 31, 2025</b>            | <b>26.93</b>              |
| <b>Accumulated amortisation and impairment</b> | <b>-</b>                  |
| <b>Balance as at April 01, 2023</b>            | <b>20.44</b>              |
| Amortisation expense                           | 2.17                      |
| Deletion                                       | -                         |
| <b>Balance as at March 31, 2024</b>            | <b>22.62</b>              |
| Additions                                      | 2.17                      |
| Deletion                                       | -                         |
| <b>Balance as at March 31, 2025</b>            | <b>24.79</b>              |
| <b>Carrying Amount</b>                         |                           |
| <b>Balance as at March 31, 2024</b>            | <b>4.31</b>               |
| <b>Balance as at March 31, 2025</b>            | <b>2.15</b>               |

## 6. Intangible assets:

(₹ In Lakhs)

| Particulars                                    | Computer Software |
|------------------------------------------------|-------------------|
| <b>Balance as at April 01, 2023</b>            | <b>82.33</b>      |
| Additions                                      | 0.21              |
| Deletion                                       | -                 |
| <b>Balance as at March 31, 2024</b>            | <b>82.54</b>      |
| Additions                                      | -                 |
| Deletion                                       | -                 |
| <b>Balance as at March 31, 2025</b>            | <b>82.54</b>      |
| <b>Accumulated amortisation and impairment</b> | <b>-</b>          |
| <b>Balance as at April 01, 2023</b>            | <b>75.79</b>      |
| Depreciation expense                           | 1.80              |
| <b>Balance as at March 31, 2024</b>            | <b>77.59</b>      |
| Depreciation expense                           | 1.81              |
| <b>Balance as at March 31, 2025</b>            | <b>79.40</b>      |
| <b>Carrying Amount</b>                         |                   |
| <b>Balance as at March 31, 2024</b>            | <b>4.95</b>       |
| <b>Balance as at March 31, 2025</b>            | <b>3.14</b>       |

## 7. Non Current Investments

(₹ in lakhs)

| Particulars                                                              | As at March 31, 2025 |             | As at March 31, 2024 |             |
|--------------------------------------------------------------------------|----------------------|-------------|----------------------|-------------|
|                                                                          | Qty                  | Amount      | Qty                  | Amount      |
| <b>Break-up of investments</b>                                           |                      |             |                      |             |
| <b>a) Other Investments at fair value through profit or loss (FVTPL)</b> |                      |             |                      |             |
| Unquoted Investments (all fully paid)                                    |                      |             |                      |             |
| <b>i) Equity Instruments</b>                                             |                      |             |                      |             |
| Equity shares of ₹ 100 each of Zoroastrian Co-op Bank Limited            | 25                   | 0.03        | 25                   | 0.03        |
| <b>Total of Unquoted Investments</b>                                     | <b>25</b>            | <b>0.03</b> | <b>25</b>            | <b>0.03</b> |
| <b>TOTAL OF UNQUOTED INVESTMENTS</b>                                     |                      | <b>0.03</b> |                      | <b>0.03</b> |

| Particulars                                                             | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Investments carried at fair value through profit or loss (FVTPL)</b> |                         |                         |
| In unquoted equity shares of Zoroastrian Co- Operative Bank limited.*   | 0.03                    | 0.03                    |
|                                                                         | <b>0.03</b>             | <b>0.03</b>             |

\* Value of these shares is ₹ 2,500/-

No additional investments made during the year that are covered under section 186 of the Companies Act, 2013.

## 8. Trade receivables

(₹ in lakhs)

| Particulars                                                       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| Trade receivables                                                 |                         |                         |
| - Related Parties                                                 | -                       | 18.24                   |
| - Others                                                          | -                       | -                       |
| a) Unsecured, considered good                                     | 672.24                  | 1,161.26                |
| b) Doubtful                                                       | 414.65                  | 420.00                  |
| Less: Allowance for bad and doubtful debts (expected credit loss) | (414.65)                | (420.00)                |
| <b>Total (B)</b>                                                  | <b>672.24</b>           | <b>1,179.50</b>         |

## 8.1 Trade receivables

As on 31<sup>st</sup> March 2025

| Particulars                                                                        | Not Due       | Less than 6 months | 6 Months - 1 year | 1-2 years     | 2-3 years    | More than 3 years | Total Outstanding |
|------------------------------------------------------------------------------------|---------------|--------------------|-------------------|---------------|--------------|-------------------|-------------------|
| (i) Undisputed Trade receivables – considered good                                 | 621.81        | 45.36              | 3.43              | 1.31          | 0.15         | 0.17              | 672.24            |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -             | -                  | -                 | -             | -            | -                 | -                 |
| (iii) Undisputed Trade Receivables – credit impaired                               | -             | -                  | -                 | -             | -            | -                 | -                 |
| (iv) Disputed Trade Receivables– considered good                                   | -             | -                  | -                 | -             | -            | -                 | -                 |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -             | -                  | -                 | -             | -            | -                 | -                 |
| (vi) Disputed Trade Receivables – credit impaired                                  | -             | -                  | -                 | 88.17         | -            | 326.48            | 414.65            |
| <b>Sub - Total</b>                                                                 | <b>621.81</b> | <b>45.36</b>       | <b>3.43</b>       | <b>89.48</b>  | <b>0.15</b>  | <b>326.65</b>     | <b>1,086.89</b>   |
| Less: Allowance for bad and doubtful debts (expected credit loss)                  | -             | -                  | 0.59              | 87.58         | 13.48        | 313.00            | (414.65)          |
| <b>Total</b>                                                                       | <b>621.81</b> | <b>45.36</b>       | <b>4.02</b>       | <b>177.06</b> | <b>13.63</b> | <b>639.65</b>     | <b>672.24</b>     |

As on 31<sup>st</sup> March 2024

| Particulars                                                                        | Not Due       | Less than 6 months | 6 Months - 1 year | 1-2 years   | 2-3 years   | More than 3 years | Total Outstanding |
|------------------------------------------------------------------------------------|---------------|--------------------|-------------------|-------------|-------------|-------------------|-------------------|
| (i) Undisputed Trade receivables – considered good                                 | 560.55        | 614.41             | 4.40              | 0.12        | 0.02        | -                 | 1,179.50          |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -             | -                  | -                 | -           | -           | -                 | -                 |
| (iii) Undisputed Trade Receivables – credit impaired                               | -             | -                  | -                 | -           | -           | -                 | -                 |
| (iv) Disputed Trade Receivables– considered good                                   | -             | -                  | -                 | -           | -           | -                 | -                 |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -             | -                  | -                 | -           | -           | -                 | -                 |
| (vi) Disputed Trade Receivables – credit impaired                                  | -             | -                  | -                 | -           | -           | 420.00            | 420.00            |
| <b>Sub - Total</b>                                                                 | <b>560.55</b> | <b>614.41</b>      | <b>4.40</b>       | <b>0.12</b> | <b>0.02</b> | <b>420.00</b>     | <b>1,599.50</b>   |
| Less: Allowance for bad and doubtful debts (expected credit loss)                  | -             | -                  | -                 | -           | -           | (420.00)          | (420.00)          |
| <b>Total</b>                                                                       | <b>560.55</b> | <b>614.41</b>      | <b>4.40</b>       | <b>0.12</b> | <b>0.02</b> | <b>-</b>          | <b>1,179.50</b>   |

**8.2 Movement in the allowance for doubtful debts**

(₹ in lakhs)

| Particulars                                  | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|----------------------------------------------|------------------------------|------------------------------|
| Balance at beginning of the year             | 420.00                       | 326.59                       |
| Change in allowance for expected credit loss | -                            | 93.41                        |
| Amounts written off/received during the year | (5.35)                       | -                            |
| <b>Balance at end of the year</b>            | <b>414.65</b>                | <b>420.00</b>                |

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

**9. Other financial assets**

(₹ in lakhs)

| Particulars                           | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|---------------------------------------|------------------------------|------------------------------|
| <b>9A Non current</b>                 |                              |                              |
| Security deposits                     |                              |                              |
| - Unsecured, considered good          | 136.04                       | 135.76                       |
| - Doubtful                            | -                            | -                            |
| Margin Money Fixed Deposits with bank | -                            | 1,278.37                     |
| <b>Total</b>                          | <b>136.04</b>                | <b>1,414.13</b>              |

(₹ in lakhs)

| Particulars                                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>9B Current</b>                          |                         |                         |
| Security deposits                          | -                       | -                       |
| Other current receivables                  |                         |                         |
| Staff advance - Unsecured, considered good | 9.39                    | 1.97                    |
| Security deposits                          | 23.33                   | -                       |
| Other Recoveries                           | 18.99                   | 15.57                   |
| <b>Total</b>                               | <b>51.71</b>            | <b>17.54</b>            |

**10. Inventories**

(₹ in lakhs)

| Particulars                                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| <b>Inventories (lower of cost and net realisable value)</b> |                         |                         |
| Raw materials                                               | 225.41                  | 215.14                  |
| Work-in-progress                                            | 254.78                  | 352.79                  |
| Finished goods                                              | 506.02                  | 567.54                  |
| Stores and spares including packing materials               | 152.36                  | 154.53                  |
| <b>Total</b>                                                | <b>1,138.56</b>         | <b>1,290.00</b>         |

# 11. Cash and Bank Balances

| Particulars                                                                | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|----------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>11 A Cash and cash equivalents</b>                                      |                              |                              |
| <b>Balances with Banks</b>                                                 |                              |                              |
| -In current accounts                                                       | 255.42                       | 682.42                       |
| -Term Deposits with banks having original maturity of three months or less | -                            | -                            |
| <b>Cash on hand</b>                                                        | 1.76                         | 2.33                         |
| <b>Total</b>                                                               | <b>257.18</b>                | <b>684.75</b>                |

| Particulars                                                                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>11 B Other Bank balances</b>                                                           |                         |                         |
| Balances held as margin money / under lien with remaining maturity of less than 12 months | 2.74                    | 124.82                  |
| <b>Total</b>                                                                              | <b>2.74</b>             | <b>124.82</b>           |

# 12. Other assets

(₹ in lakhs)

| Particulars                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------------------|-------------------------|-------------------------|
| <b>12A. Non Current</b>                          |                         |                         |
| <b>Unsecured, considered good</b>                |                         |                         |
| Prepaid expenses                                 | -                       | 0.34                    |
| Capital Advance                                  | 39.60                   | 39.60                   |
| Balances with statutory / government authorities | 548.42                  | 571.32                  |
| Less : Allowance for doubtful balances           | -                       | -                       |
|                                                  | <b>548.42</b>           | <b>571.32</b>           |
| <b>Total</b>                                     | <b>588.02</b>           | <b>611.26</b>           |

| Particulars                                    | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|------------------------------------------------|------------------------------|------------------------------|
| <b>12B. Current</b>                            |                              |                              |
| Advances for supply of goods and services      |                              |                              |
| - Unsecured, considered good                   | 17.74                        | 48.01                        |
| - Unsecured, considered doubtful               | -                            | -                            |
| Less : Allowance for bad and doubtful advances | -                            | -                            |
|                                                | <b>17.74</b>                 | <b>48.01</b>                 |
| Security Deposits                              | 0.22                         | 0.22                         |
| Prepaid expenses and Insurance                 | 44.07                        | 36.12                        |
| Medical Advance                                | -                            | 0.03                         |
| Insurance claim receivable                     | 0.14                         | -                            |
| Prepaid contribution to employee benefit plan  | 4.06                         | 4.86                         |
| <b>Total</b>                                   | <b>66.22</b>                 | <b>89.24</b>                 |

(₹ in lakhs)

| Particulars                                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| <b>12C. Movement in the allowance for doubtful advances</b> |                         |                         |
| Balance at beginning of the year                            | -                       | -                       |
| Change in allowance for bad and doubtful advances           | -                       | -                       |
| Amounts written off during the year as uncollectible        | -                       | -                       |
| <b>Balance at end of the year</b>                           | <b>-</b>                | <b>-</b>                |

**13. Assets classified as held for sale**

(₹ in lakhs)

| Particulars            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------|-------------------------|-------------------------|
| Plant and Machineries* | 373.6                   | 424.96                  |
| Land at Solapur        | 4.91                    | 11.35                   |
| <b>Total</b>           | <b>378.51</b>           | <b>436.31</b>           |

Note : The Management of the Group has identified certain machineries located at textile plant, at Gokak location and land located at Solapur, Maharashtra, as assets held for sale. The Group has also received partial advances for the sale of land and certain parts of the machineries held for sale. The Group is in the process of completing the sale transaction which is expected to be concluded within twelve months from the date of these consolidated financial statements.

**14. Equity Share Capital**

(₹ in lakhs)

| Particulars                                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised Share capital :</b>                    |                         |                         |
| 4,70,00,000 fully paid equity shares of ₹ 10 each    | 4,700.00                | 4,700.00                |
| <b>Issued, subscribed and paid-up share capital:</b> |                         |                         |
| 64,99,308 fully paid equity shares of ₹ 10 each      | 649.93                  | 649.93                  |
|                                                      | <b>649.93</b>           | <b>649.93</b>           |

**14A.1 Fully paid equity shares**

(₹ in lakhs)

| Particulars                         | Number of<br>shares | Share capital<br>(₹ in Lakhs) |
|-------------------------------------|---------------------|-------------------------------|
| <b>Balance as at April 1, 2023</b>  | <b>64,99,308</b>    | <b>649.93</b>                 |
| Movements                           | -                   | -                             |
| <b>Balance as at March 31, 2024</b> | <b>64,99,308</b>    | <b>649.93</b>                 |
| Movements                           | -                   | -                             |
| <b>Balance as at March 31, 2025</b> | <b>64,99,308</b>    | <b>649.93</b>                 |

### Rights, preferences and restrictions 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 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.

### 14A.2 Details of shares held by the holding company, its subsidiaries and associates

(₹ in lakhs)

| Particulars                                                         | Fully paid equity shares |                         |
|---------------------------------------------------------------------|--------------------------|-------------------------|
|                                                                     | As at<br>March 31, 2025  | As at<br>March 31, 2024 |
| <b>Balance at the beginning of the period :</b>                     |                          |                         |
| Shapoorji Pallonji and Company Private Limited, the holding company | 47,80,845                | 47,80,845               |
| <b>Total</b>                                                        | <b>47,80,845</b>         | <b>47,80,845</b>        |

### 14A.3 Details of shares held by each shareholder holding more than 5% shares

(₹ in lakhs)

| Particulars                                    | Number of<br>shares | Share capital<br>(₹ in Lakhs) |
|------------------------------------------------|---------------------|-------------------------------|
| <b>Fully paid equity shares</b>                |                     |                               |
| Shapoorji Pallonji and Company Private Limited |                     |                               |
| As at March 31, 2025                           | 47,80,845           | 73.56                         |
| As at March 31, 2024                           | 47,80,845           | 73.56                         |

**14A.4** The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

### 14A.5 Details of equity shareholding of promoters

(₹ in lakhs)

| Particulars                                    | Number of<br>shares | Share capital<br>(₹ in Lakhs) |
|------------------------------------------------|---------------------|-------------------------------|
| <b>Fully paid equity shares</b>                |                     |                               |
| Shapoorji Pallonji and Company Private Limited |                     |                               |
| As at March 31, 2025                           | 47,80,845           | 73.56%                        |
| As at March 31, 2024                           | 47,80,845           | 73.56%                        |

### Preference Share Capital

(₹ in lakhs)

| Particulars                                                                            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised Preference Share Capital :</b>                                           |                         |                         |
| 22,00,00,000 Non Cumulative, non convertible Redeemable preference shares of ₹ 10 each | 22,000.00               | 22,000.00               |
|                                                                                        | <b>22,000.00</b>        | <b>22,000.00</b>        |
| <b>Issued, subscribed and paid-up preference share capital:</b>                        |                         |                         |
| 4,25,56,838 fully paid-up Redeemable Non-convertible Cumulative Preference Shares      | 4,255.68                | -                       |
|                                                                                        | <b>4,255.68</b>         | <b>-</b>                |



**Fully paid preference shares**

(₹ in lakhs)

| Particulars                         | Number of shares  | Share capital<br>(₹ in Lakhs) |
|-------------------------------------|-------------------|-------------------------------|
| <b>Balance as at April 1, 2023</b>  | -                 | -                             |
| Movements                           | -                 | -                             |
| <b>Balance as at March 31, 2024</b> | -                 | -                             |
| Movements                           | 42,556,838        | 4,255.68                      |
| <b>Balance as at March 31, 2025</b> | <b>42,556,838</b> | <b>4,255.68</b>               |

**14B Rights, preferences and restrictions attached to preference shares**

The above preference shares were issued to the Shapoorji Pallonji Infrastructure Capital Company Private Limited as consideration for amalgamation (by way of absorption) of Suryoday One Energy Private Limited ('transferor company') into the Company approved by the Hon'ble National Company Law Tribunal ('NCLT') in its order dated April 24, 2024. These preference shares carry cumulative dividends at the rate of 11% per annum and are compulsorily redeemable at the end of 10 years from the date of allotment. Each redeemable preference share is freely transferable at the option of the holder subject to the applicable laws. The preference shares have been classified as financial liability as per Ind AS 32/Ind AS 109.

**14B Instruments entirely equity in nature**

(₹ in lakhs)

| Particulars                                                                                                                   | Fully paid equity shares |                         |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|
|                                                                                                                               | As at<br>March 31, 2025  | As at<br>March 31, 2024 |
| <b>Perpetual Loans</b>                                                                                                        |                          |                         |
| (a) From Evangelous Ventures Private Limited                                                                                  | 2,805.27                 | 2,545.27                |
| (b) From Shapoorji Pallonji and Company Private Limited                                                                       | 5,000.00                 | 5,000.00                |
| (c) From Shapoorji Pallonji and Company Private Limited (Novation)                                                            | 6,427.30                 | 6,427.30                |
| (d) From Sharus Steel Products Private Limited                                                                                | 250.00                   | -                       |
| <b>Perpetual Debentures</b>                                                                                                   |                          |                         |
| (e) 23,58,10,000 fully paid-up 7% Perpetual Cumulative Debentures of face value ₹ 10 each (Pending to be issued and allotted) | 990.40                   | 990.40                  |
| <b>Balance at end of the year</b>                                                                                             | <b>15,472.97</b>         | <b>14,962.97</b>        |

- (a) During the financial year 2022-23, the Company and its subsidiary had entered into separate agreement with Evangelous Ventures Private Limited ('the Lender'), in which unsecured Inter-Corporate-Deposits ('ICD') having principal amount aggregating to ₹ 1,845.27 lakhs (including interest accrued thereon) as at April 01, 2022 repayable on demand with interest rate of 8.00% per annum, were converted into an unsecured perpetual loan ('the Perpetual Loan') with effect from April 01, 2022. The said Perpetual Loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 8.00% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all existing amount borrowed or debt securities issued by the Company to any other person (other than the Lender itself) and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan was classified as instrument entirely equity in nature. The Company has, subsequently, received additional ₹ 700.00 lakhs in the financial year 2022-23 and ₹ 260.00 lakhs during the financial year 2024-25 on the same terms.

- (b) During the financial year 2022-23, the Company had entered into an agreement with Shapoorji Pallonji and Company Private Limited ('the Lender'), in which unsecured Inter-Corporate-Deposits ('ICD') having principal amount aggregating to ₹ 8,457.00 lakhs as at April 01, 2022 repayable on demand with interest rate of 11.50% per annum, were converted

into an unsecured perpetual loan ('the Perpetual Loan') with effect from April 01, 2022. The said Perpetual Loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 11.50% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all existing amount borrowed or debt securities issued by the Company to any other person (other than the Lender itself) and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan was classified as instrument entirely equity in nature. Balance above ₹ 5,000 lakhs was extinguished as per the composite scheme of arrangement approved by the Hon'ble National Company Law Tribunal ('NCLT') in its order dated April 24, 2024.

- (c) During the financial year 2023-24, the Company had entered into an agreement with the Holding Company Shapoorji Pallonji and Company Private Limited ('SPCPL'), in which unsecured Inter-Corporate-Deposits ('ICD') having principal and interest accrued aggregating to ₹ 6,427.30 lakhs (which were transferred to the Company from its subsidiary company under the 'Novation' agreement) repayable on demand with interest rate of 11.50% per annum, were converted into an unsecured perpetual loan ('the Perpetual Loan') with effect from April 01, 2023. The said Perpetual Loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 11.50% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all existing amount borrowed or debt securities issued by the Company to any other person (other than SPCPL itself) and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan was re-classified as instrument entirely equity in nature.
- (d) During the financial year 2024-25, the Company has entered into an agreement with Sharus Steel Products Private Limited ('the Lender'), in which it received ₹ 250.00 lakhs as perpetual loan ('the Perpetual Loan'). The said Perpetual Loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 8% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all existing amount borrowed or debt securities issued by the Company to any other person (other than the Lender itself) and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan has been classified as instruments entirely equity in nature.
- (e) 23,58,10,000 fully paid-up 7% Perpetual Cumulative Debentures of face value ₹ 10 each were allotted and accounted at a fair value of ₹ 990.40 lakhs as consideration for capital reduction under the composite scheme of arrangement approved by the Hon'ble National Company Law Tribunal ('NCLT') in its order dated April 24, 2024. As per the terms of the said debentures, the debentures are of perpetual tenor and the coupon and redemption of the debentures is solely at the discretion of the Company. Accordingly, the same were considered to be instruments wholly equity in nature.

#### 14C Other equity

(₹ in lakhs)

| Particulars |                                                                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------|--------------------------------------------------------------------|-------------------------|-------------------------|
| <b>a)</b>   | <b>General reserve (Refer Note 1)</b>                              |                         |                         |
|             | Balance at beginning of the year                                   | 7,160.32                | 7,160.32                |
|             | Movements during the year                                          | -                       | -                       |
|             | <b>Balance at end of the year</b>                                  | <b>7,160.32</b>         | <b>7,160.32</b>         |
| <b>b)</b>   | <b>Amalgamation adjustment account</b>                             |                         |                         |
|             | Capital Reserve (Debit Balance) created on account of amalgamation | (756.00)                | (756.00)                |
|             | <b>Balance at end of the year</b>                                  | <b>(756.00)</b>         | <b>(756.00)</b>         |

(₹ in lakhs)

| Particulars                 |                                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------|-----------------------------------------|-------------------------|-------------------------|
| <b>c) Retained earnings</b> |                                         |                         |                         |
|                             | Balance at beginning of year            | (23,692.89)             | (22,243.01)             |
|                             | Profit/(Loss) for the year              | (4,443.61)              | (1,525.75)              |
|                             | Other Comprehensive income for the year | 55.29                   | 75.87                   |
|                             | <b>Balance at end of the year</b>       | <b>(28,081.21)</b>      | <b>(23,692.89)</b>      |
| <b>Total</b>                |                                         | <b>(21,676.88)</b>      | <b>(17,288.57)</b>      |

- (i) General Reserve represents amounts appropriated out of retained earnings based on the provisions of the Act prior to its amendment.
- (ii) Capital Reserve (Debit Balance) created on amalgamation represents the difference between the cancellation of the nominal amount of equity share capital of Suryoday One Energy Private Limited ('Transferor') and the fair value of the purchase consideration issued to the shareholders of the Transferor under the composite scheme of arrangement approved by the Hon'ble National Company Law Tribunal ('NCLT') in its order dated April 24, 2024.
- (iii) Retained earnings represents net profits after distributions and transfers to other reserves.

## 15. Borrowings

(₹ in lakhs)

| Particulars                         |                                                                                     | Non-current             |                         | Current                 |                         |
|-------------------------------------|-------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                     |                                                                                     | As at<br>March 31, 2025 | As at<br>March 31, 2024 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| <b>a)</b>                           | <b>11% Redeemable Non-convertible Cumulative Preference Shares (Refer Note 14A)</b> | 4,654.55                | -                       | -                       | -                       |
| <b>b)</b>                           | <b>Inter corporate deposits, unsecured:</b>                                         |                         |                         |                         |                         |
| (i)                                 | From Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd. (GPEL)             | 834.99                  | 782.96                  | -                       | -                       |
| (ii)                                | From Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd. (GPEL)                           | 66.73                   | 63.62                   | -                       | -                       |
| (iii)                               | From Shapoorji Pallonji Development Managers Pvt. Ltd.                              | -                       | -                       | 514.02                  | 432.12                  |
| (iv)                                | Loan From Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd.               | 5,690.64                | 10,349.20               | -                       | -                       |
| <b>c)</b>                           | <b>Term Loans:</b>                                                                  |                         |                         |                         |                         |
| (i)                                 | Dr. Prabhakar Kore Co-Operative Society Limited                                     | 714.26                  | 857.12                  | 142.88                  | 142.88                  |
| (ii)                                | From Indian Renewable Energy Development Agency Limited                             | 15,410.54               | -                       | 1,500.00                | -                       |
| (iii)                               | Loan From India Infradebt Ltd                                                       | -                       | 13,180.25               | -                       | 977.53                  |
| <b>Total Non-current borrowings</b> |                                                                                     | <b>27,371.71</b>        | <b>25,233.15</b>        | <b>2,156.90</b>         | <b>1,552.53</b>         |

## Note 15.1 Terms and conditions of outstanding borrowing

Inter corporate deposits, unsecured:

- (i) Inter Corporate deposit from Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd. carries interest at the rate of 11.50 % per annum and interest and principal are repayable on or after April 01, 2026 as per mutual agreed terms.
- (ii) Inter Corporate deposit from Shapoorji Pallonji Energy (Gujarat) Pvt. Ltd. carries interest at the rate of 11.50 % per annum and interest and principal are repayable on or after April 01, 2026 as per mutual agreed terms.
- (iii) Inter Corporate deposit from Shapoorji Pallonji Development Managers Pvt. Ltd. is obtained for a tenure of 11 months, carries interest at the rate of 26% per annum and is repayable at the end of tenure along with principal.
- (iv) Inter Corporate deposit from Shapoorji Pallonji Infrastructure Capital Company Pvt. Ltd. is obtained for a tenure of five years, carries interest at the rate of 10.50% per annum and is repayable at the end of tenure along with principal.

### Term Loans:

- (i) Term Loan from Dr. Prabhakar Kore Co-Operative Society Limited is obtained for a tenure of 7 years, carries interest at the rate of 14% per annum. Interest is payable on monthly basis and principal is repayable at equal quarterly instalments. The loan is secured against hypothecation charge created over the movable asset having total area 14 acre 20 gunta at Marihal Village, Taluka and District Belagavi.
- (ii) Term Loan from Indian Renewable Energy Development Agency Limited is obtained for a tenure of 14.5 years, carries interest at the rate of 9.85% per annum with annual reset frequency. Interest is payable on monthly basis and principal is repayable at equal quarterly instalments. The loan is secured by way of first charge mortgage of 40MW Solar Plant of the Company and first charge hypothecation of all immovable properties present and future, tangible/ intangible movable assets, current assets, bank accounts, all the rights, title, interest, benefits, claims whatsoever of the project agreement and also corporate guarantee by Shapoorji Pallonji Infrastructure Capital Company Private Limited for entire term of the loan. Term Loan has been sanctioned for a total amount of ₹ 22,000 lakhs.
- (iii) Term Loan from India Infradebt Limited was obtained for a tenure of 15.5 years, carries interest at the rate of 9.75% per annum. Interest was payable on monthly basis and principal was repayable at equal quarterly instalments. The loan was secured by way of first paripassu charge on present and future immovable properties, tangible/ intangible movable assets, current assets, bank accounts, all the rights, title, interest, benefits, claims whatsoever of the project agreement. During the year the Company has fully prepaid the loan through term loan from other lender.

## Note 15.1 Carrying amounts of assets pledged/hypothecated against secured borrowings

(₹ in lakhs)

| Particulars                   | Carrying Amount  |                |
|-------------------------------|------------------|----------------|
|                               | March 31, 2025   | March 31, 2024 |
| Property, Plant and Equipment | 18,203.04        | 207.40         |
| Cash and Bank balance         | 222.77           | -              |
| Trade and Other receivables   | 1,075.32         | -              |
| <b>Total</b>                  | <b>19,501.13</b> | <b>207.40</b>  |

## 16. Other financial liabilities

### 16A Non Current

(₹ in lakhs)

| Particulars       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------|-------------------------|-------------------------|
| Security deposits | -                       | 162.50                  |
| <b>Total</b>      | <b>-</b>                | <b>162.50</b>           |

**16B Current**

(₹ in lakhs)

| Particulars                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------|-------------------------|-------------------------|
| Security deposits              | 56.81                   | 57.14                   |
| Merger Compensation payable    | -                       | 4,256.00                |
| Salary and other employee dues | 883.99                  | 726.14                  |
| <b>Total</b>                   | <b>940.80</b>           | <b>5,039.29</b>         |

**17. Provisions**

(₹ in lakhs)

| Particulars                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------|-------------------------|-------------------------|
| <b>17A. Non current</b>             |                         |                         |
| <b>a) Employee benefits</b>         |                         | 207.40                  |
| Compensated absences                | 85.75                   | 75.97                   |
| Gratuity (Funded)                   | 209.83                  | 187.60                  |
| Gratuity - Badli Workers (Unfunded) | 362.47                  | 359.80                  |
| <b>Total</b>                        | <b>658.05</b>           | <b>623.37</b>           |

(₹ in lakhs)

| Particulars                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------|-------------------------|-------------------------|
| <b>17A. Non current</b>             |                         |                         |
| <b>Employee benefits</b>            |                         |                         |
| Compensated absences                | 8.61                    | 13.33                   |
| Gratuity (Funded)                   | 113.93                  | 117.69                  |
| Gratuity - Badli Workers (Unfunded) | 13.26                   | 11.36                   |
| <b>Total</b>                        | <b>135.81</b>           | <b>142.37</b>           |

**18. Deferred tax balances**

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

(₹ in lakhs)

| Particulars                            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------------------|-------------------------|-------------------------|
| Deferred tax assets (Refer Note below) | 4,497.79                | 4,448.81                |
| Deferred tax liabilities               | (4,497.79)              | (4,448.81)              |
| <b>Net</b>                             | <b>-</b>                | <b>-</b>                |

Note:- The Group has restricted the recognition of deferred tax assets on account of unabsorbed depreciation and brought forward business loss and certain other assets to set off the deferred tax liabilities arising on account of temporary difference arising on Property, Plant and Equipment and other assets. Unabsorbed depreciation and brought forward business losses on which deferred tax assets have not been recognised (in the absence of virtual certainty of taxable income) were ₹ 37,002.21 lakhs as on March 31, 2025 (Previous year: ₹ 57,495.06 lakhs).

As at March 31, 2025 :

( ₹ in lakhs )

| Particulars                                       | Opening balance | Recognised in profit or loss | Closing balance |
|---------------------------------------------------|-----------------|------------------------------|-----------------|
| Deferred tax (liabilities)/assets in relation to: |                 |                              |                 |
| a) Property, plant and equipment                  | (4,424.62)      | 31.52                        | (4,393.10)      |
| b) Intangible assets                              | (0.67)          | 0.34                         | (0.33)          |
| c) Other liabilities and Provisions               | 1.48            | 0.31                         | 1.79            |
| d) Doubtful debts                                 | (23.52)         | (80.85)                      | (104.37)        |
| e) Lease liability (net off ROU asset)            | 1.28            | 0.45                         | 1.73            |
| f) MAT Credit                                     | 63.00           | (0.00)                       | 63.00           |
| g) Defined benefit obligation                     | 192.73          | 7.08                         | 199.81          |
| h) Others - Unabsorbed Depreciation and losses    | 4,190.32        | 41.15                        | 4,231.47        |
| <b>Total</b>                                      | -               | -                            | -               |

As at March 31, 2024 :

( ₹ in lakhs )

| Particulars                                       | Opening balance | Recognised in profit or loss | Closing balance |
|---------------------------------------------------|-----------------|------------------------------|-----------------|
| Deferred tax (liabilities)/assets in relation to: |                 |                              |                 |
| a) Property, plant and equipment                  | (4,491.82)      | 67.20                        | (4,424.62)      |
| b) Intangible assets                              | (0.88)          | 0.21                         | (0.67)          |
| c) Other liabilities and Provisions               | 1.00            | 0.48                         | 1.48            |
| d) Doubtful debts                                 | (0.16)          | (23.36)                      | (23.52)         |
| e) Lease liability (net off ROU asset)            | 1.55            | (0.27)                       | 1.28            |
| f) MAT Credit                                     | 63.00           | -                            | 63.00           |
| g) Defined benefit obligation                     | 208.88          | (16.15)                      | 192.73          |
| h) Others - Unabsorbed Depreciation and losses    | 4,218.43        | (28.11)                      | 4,190.32        |
| <b>Total</b>                                      | -               | -                            | -               |

## 19. Other liabilities

( ₹ in lakhs )

| Particulars                             | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------------------|----------------------|----------------------|
| <b>19 Current</b>                       |                      |                      |
| Advances from customers                 | 352.72               | 16.10                |
| Advance received against sale of Assets | 504.50               | 576.50               |
| Statutory remittances                   | 115.24               | 145.36               |
| <b>Total</b>                            | <b>972.45</b>        | <b>737.96</b>        |

## 20. Trade payables

(₹ in lakhs)

| Particulars                                                                                   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>20. Current</b>                                                                            |                         |                         |
| <b>Trade payables for Goods and Services</b>                                                  |                         |                         |
| (a) Total outstanding dues of micro enterprises and small enterprises<br>(Refer Note 35)      | 84.33                   | 13.18                   |
| (b) Total outstanding dues of creditors other than micro enterprises and<br>small enterprises |                         |                         |
| - Related Parties                                                                             | 395.45                  | 225.86                  |
| - Others                                                                                      | 1,776.56                | 1,472.32                |
| <b>Sub Total</b>                                                                              | <b>2,172.01</b>         | <b>1,698.18</b>         |
| <b>Total</b>                                                                                  | <b>2,256.34</b>         | <b>1,711.36</b>         |

## Undisputed trade payable ageing schedule:

(₹ in lakhs)

| Particulars              | As at March 31, 2025 |                 |
|--------------------------|----------------------|-----------------|
|                          | MSME                 | Others          |
| Not Due                  | 49.88                | 891.98          |
| Less Than 1 year         | 23.01                | 1,179.66        |
| 1-2 years                | 0.88                 | 32.23           |
| 2-3 years                | 1.44                 | 11.88           |
| More than 3 years        | 9.12                 | 56.26           |
| <b>Total Outstanding</b> | <b>84.33</b>         | <b>2,172.01</b> |

(₹ in lakhs)

| Particulars              | As at March 31, 2024 |                 |
|--------------------------|----------------------|-----------------|
|                          | MSME                 | Others          |
| Not Due                  | -                    | 495.01          |
| Less Than 1 year         | 1.74                 | 1,043.87        |
| 1-2 years                | 0.88                 | 41.41           |
| 2-3 years                | 1.44                 | 86.26           |
| More than 3 years        | 9.12                 | 31.63           |
| <b>Total Outstanding</b> | <b>13.18</b>         | <b>1,698.18</b> |

20.2 There were no disputed trade payables as at March 31, 2025 and March 31, 2024.

## 21. Income tax assets

(₹ in lakhs)

| Particulars              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| <b>Income tax assets</b> |                         |                         |
| Advance Tax (Net)        | 138.33                  | 159.55                  |
| <b>Total</b>             | <b>138.33</b>           | <b>159.55</b>           |

## 22. Revenue from operations

(₹ in lakhs)

| Particulars                                     | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-------------------------------------------------|------------------------------|------------------------------|
| <b>A) Revenue from contracts with customers</b> |                              |                              |
| <b>(i) Sale of products</b>                     |                              |                              |
| Manufactured Goods                              | 4,943.84                     | 8,620.83                     |
| Sale of Power                                   | 4,594.48                     | 4,061.66                     |
| <b>(ii) Sale of services</b>                    |                              |                              |
| Processing Income                               | 179.41                       | 116.59                       |
|                                                 | <b>9,717.73</b>              | <b>12,799.08</b>             |
| <b>B) Other operating income</b>                |                              |                              |
| i) Waste Sales                                  | 107.28                       | 283.22                       |
| ii) Sale of Renewable Energy Certificates       | 22.20                        | 23.60                        |
| <b>Total</b>                                    | <b>9,847.21</b>              | <b>13,105.90</b>             |

### 22.1. Reconciliation of revenue recognised with contract price:

(₹ in lakhs)

| Particulars                                    | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|------------------------------------------------|------------------------------|------------------------------|
| Total contract price with customers            | 9,728.51                     | 12,817.32                    |
| Less: adjusted for discounts and rebates       | (10.78)                      | (18.25)                      |
| Less: adjusted for sales retruns               | -                            | -                            |
| <b>Revenue recognised (Goods and Services)</b> | <b>9,717.73</b>              | <b>12,799.08</b>             |



## 23. Other Income

(₹ in lakhs)

| Particulars                                                                                 | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>a) Interest income earned on financial assets that measured at amortised cost</b>        |                              |                              |
| i) Bank deposits                                                                            | 0.43                         | 0.27                         |
| ii) Interest on Security Deposits (From others)                                             | 93.02                        | 115.78                       |
| iii) Others                                                                                 | 4.66                         | -                            |
| <b>Total (a)</b>                                                                            | <b>98.11</b>                 | <b>116.06</b>                |
| <b>b) Other Non-Operating Income (Net of expenses directly attributable to such income)</b> |                              |                              |
| i) Credit balances/ excess provision written back                                           | 3.64                         | 4.31                         |
| ii) Rent income                                                                             | 160.80                       | 118.78                       |
| iii) Interest on Income tax                                                                 | -                            | 0.42                         |
| iv) Other income from contracts                                                             | 8.50                         | -                            |
| v) Miscellaneous income                                                                     | 74.44                        | 69.65                        |
| <b>Total ( b )</b>                                                                          | <b>247.38</b>                | <b>193.16</b>                |
| <b>c) Other gains and losses</b>                                                            |                              |                              |
| i) Gain/(loss) on disposal of PPE                                                           | 145.20                       | (13.69)                      |
| <b>Total (c)</b>                                                                            | <b>145.20</b>                | <b>(13.69)</b>               |
| <b>Total (a+b+c)</b>                                                                        | <b>490.69</b>                | <b>295.52</b>                |

## 24. Cost of materials consumed

(₹ in lakhs)

| Particulars                                      | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|--------------------------------------------------|------------------------------|------------------------------|
| Raw material Stocks at the beginning of the Year | 215.14                       | 280.04                       |
| Purchases during the year                        | 3,458.27                     | 6,163.94                     |
|                                                  | <b>3,673.41</b>              | <b>6,443.97</b>              |
| Less: Raw material Stocks at the end of the Year | (225.41)                     | (215.14)                     |
|                                                  | <b>3,448.00</b>              | <b>6,228.83</b>              |

## 25. Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

| Particulars                                                          | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|----------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Changes in inventories of finished goods and work-in-progress</b> |                              |                              |
| <b>Inventories at the end of the year:</b>                           |                              |                              |
| i) Finished goods (including stock in transit)                       | 506.02                       | 567.54                       |
| ii) Work-in-progress                                                 | 254.78                       | 352.79                       |
| <b>Total (a)</b>                                                     | <b>760.80</b>                | <b>920.33</b>                |
| <b>Inventories at the beginning of the year:</b>                     |                              |                              |
| i) Finished goods (Including stock in transit)                       | 567.54                       | 663.76                       |
| ii) Work-in-progress                                                 | 352.79                       | 469.62                       |
| <b>Total (b)</b>                                                     | <b>920.33</b>                | <b>1,133.38</b>              |
| <b>Net decrease/ (increase)</b>                                      | <b>159.53</b>                | <b>213.05</b>                |

## 26. Employee benefits expense

(₹ in lakhs)

| Particulars                                   | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-----------------------------------------------|------------------------------|------------------------------|
| i) Salaries and Wages                         | 2,117.25                     | 2,411.64                     |
| ii) Contribution to provident and other funds | 419.81                       | 469.21                       |
| iii) Staff Welfare Expenses                   | 128.01                       | 108.77                       |
| <b>Total</b>                                  | <b>2,665.07</b>              | <b>2,989.62</b>              |

## 27. Finance costs

(₹ in lakhs)

| Particulars                                                   | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------------------------------------------|------------------------------|------------------------------|
| <b>At amortised costs:</b>                                    |                              |                              |
| i) Interest on term loans                                     | 1,550.96                     | 1,517.20                     |
| ii) Interest on Inter corporate deposits from related parties | 845.43                       | 911.85                       |
| iii) Interest on Preference Shares considered as debt         | 398.87                       | -                            |
| iv) Interest on delayed payment of dues                       | 63.78                        | 95.90                        |
| v) Unwinding of interest on lease liabilities                 | 0.87                         | 1.25                         |
| vi) Other borrowing cost                                      | 152.28                       | 31.36                        |
| <b>Total</b>                                                  | <b>3,012.18</b>              | <b>2,557.56</b>              |

## 28. Depreciation and Amortisation expenses

(₹ in lakhs)

| Particulars                                  | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|----------------------------------------------|------------------------------|------------------------------|
| i) Depreciation of property, plant equipment | 2,012.82                     | 2,072.10                     |
| ii) Amortisation of Intangible assets        | 1.81                         | 1.80                         |
| iii) Amortisation of Right of Use assets     | 2.17                         | 2.17                         |
| <b>Total depreciation and amortisation</b>   | <b>2,016.80</b>              | <b>2,076.07</b>              |

## 29. Other expenses

(₹ in lakhs)

| Particulars                                     | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-------------------------------------------------|------------------------------|------------------------------|
| Consumption of stores and spare parts           | 52.45                        | 65.22                        |
| Consumption of packing Material                 | 80.24                        | 111.90                       |
| Operation and Maintenance Charges (Solar Plant) | 261.02                       | 202.86                       |
| Water Royalty Charges                           | 44.86                        | 21.13                        |
| Processing charges                              | 11.18                        | 43.54                        |
| Power and fuel                                  | 456.44                       | 666.40                       |
| Transportation, freight and handling charges    | 82.50                        | 118.02                       |
| Hank Yarn Obligation                            | 6.31                         | 12.82                        |
| Rent and hire charges                           | 3.49                         | 3.48                         |
| <b>Repairs to :</b>                             |                              |                              |
| i) Buildings                                    | 19.20                        | 21.30                        |
| ii) Plant and machinery                         | 73.44                        | 116.98                       |
| iii) Others                                     | 65.61                        | 95.43                        |
| Insurance                                       | 129.42                       | 142.65                       |
| Rates and taxes                                 | 152.90                       | 154.39                       |
| Open Access and IEX Charges                     | 93.65                        | 48.92                        |
| Brokerage and commission                        | 1.23                         | 21.44                        |
| Printing and Stationery                         | 5.71                         | 6.23                         |
| Communication                                   | 7.09                         | 6.06                         |
| Legal and professional charges                  | 246.31                       | 81.25                        |
| Retainership Charges                            | 58.03                        |                              |
| Travelling and conveyance                       | 7.26                         | 13.32                        |
| Sundry Balances written off                     | 0.10                         | 0.33                         |
| Directors Sitting Fees                          | 25.07                        | 23.37                        |
| Provision for doubtful trade receivables        | -                            | 93.42                        |
| Miscellaneous expenses                          | 181.84                       | 125.41                       |
| <b>Total</b>                                    | <b>2,065.35</b>              | <b>2,195.86</b>              |
| <b>a) To Statutory auditors</b>                 |                              |                              |
| i) For audit                                    | 17.47                        | 11.90                        |
| ii) For tax audit fees                          | 2.75                         | 2.00                         |
| iii) For limited review and certification       | 8.25                         | 7.00                         |
|                                                 | <b>28.47</b>                 | <b>20.90</b>                 |
| <b>b) To cost auditors for cost audit</b>       | 1.80                         | 1.50                         |
| <b>c) For reimbursement of expenses</b>         | 0.34                         | 0.38                         |
| <b>Total (a+b+c)</b>                            | <b>30.61</b>                 | <b>22.78</b>                 |
| <b>Total</b>                                    | <b>2,095.96</b>              | <b>2,218.63</b>              |

### 30. Exceptional Item - Income

(₹ in lakhs)

| Particulars                                                                       | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|
| (i) Reversal of provision against demand / export obligations under EPCG licences | -                            | 938.95                       |
| (ii) Term Loan refinancing cost                                                   | 879.63                       | -                            |
| (iii) Solar Power Plant Restoration cost                                          | 333.73                       | -                            |
| <b>Total</b>                                                                      | <b>1,213.36</b>              | <b>938.95</b>                |

- (i) Exceptional item of ₹ 938.95 Lakhs during the year ended March 31, 2024 was pertaining reversal of provision which was carried by the Company over the previous years against demands/export obligations under certain EPCG Licences which settled in favour of the Company with redemption of Letter of Undertaking (LUT) consequent to the submissions made by the Company to respective authorities.
- (ii) During the last quarter of the financial year ended March 31, 2025, the Company has obtained a term loan of ₹ 17,325 lakhs from Indian Renewable Energy Development Agency Limited (IREDA) for the purpose of refinancing by prepayment of existing loans and meeting operational expenses related to its solar power plant. Accordingly, the Company has prepaid the outstanding loans of the existing lenders. The aggregate cost of refinancing amounted to ₹ 879.63 lakhs. This includes prepayment charges and other fees levied by the existing lenders, as well as unamortised borrowing costs related to the settled loans. In accordance with the effective interest rate method prescribed under Ind AS 109, these costs have been recognised in the Consolidated Statement of Profit and Loss upon settlement of the respective loans. Due to the non-recurring nature and materiality of the amount, these costs pertaining to refinancing have been shown under exceptional items.
- (iii) During the last quarter of the financial year ended March 31, 2025, the Company's solar power plant ("the Plant") experienced five fire incidents (two major and three minor) on January 16, February 3, February 15, March 4, and March 6, 2025. These incidents resulted in cumulative damage affecting up to 20 MW of the Plant's total 40 MW capacity. There were no casualties or loss of life, human or otherwise, associated with these events. Preliminary investigations identified the primary cause as sparks from certain plant wiring, which ignited dry grass under summer weather conditions. The Company promptly initiated restoration activities, and as of March 31, 2025, the Plant had resumed operations at 35 MW capacity. The Company has incurred, including estimated provisions for the remaining restoration work, a total cost of ₹333.73 lakhs, which has been disclosed as an exceptional item in the consolidated financial statements. The entire Plant is adequately insured against both material damage and loss of profit. The insurance provider has completed the site survey, and the Company is in the process of filing an insurance claim for the losses incurred.

### 31. Earnings per share

The earnings per share is calculated by dividing the Profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basis and diluted earning's are stated below :-

(₹ in lakhs)

| Particulars                                                                                                     | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-----------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| A) Profit/(loss) for the year attributable to owners of the Group                                               | (4,443.61)                   | (1,525.77)                   |
| B) Number of equity shares for the purposes of basic/diluted earnings per share<br>[Nominal value of ₹ 10 each] | 6,499,308                    | 6,499,308                    |
| <b>Basic and diluted Earnings in rupees per share (A/B)</b>                                                     | <b>(68.37)</b>               | <b>(23.48)</b>               |

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

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

(₹ in lakhs)

| Particulars               | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|---------------------------|------------------------------|------------------------------|
| Provident fund            | 213.56                       | 236.76                       |
| Superannuation fund       | -                            | 10.30                        |
| <b>Total contribution</b> | <b>213.56</b>                | <b>247.06</b>                |

**Defined Benefit Plan:**

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

(₹ in lakhs)

| Sr. No.   | Particulars                                                                    | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-----------|--------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>a)</b> | <b>Change in Present Value of Obligation</b>                                   |                              |                              |
|           | Present value of the obligation at the beginning of the year                   | 1,795.57                     | 1,891.41                     |
|           | Current Service Cost                                                           | 52.93                        | 57.18                        |
|           | Interest Cost                                                                  | 120.00                       | 134.12                       |
|           | Past service cost                                                              | -                            | -                            |
|           | Benefit paid direct by the employer                                            | -                            | (5.50)                       |
|           | Actuarial (Gain) / Loss on Obligation due to experience                        | (88.12)                      | (91.36)                      |
|           | Actuarial (Gain) / Loss on Obligation due to change in financial assumptions   | 43.27                        | 18.61                        |
|           | Actuarial (Gain) / Loss on Obligation due to change in demographic assumptions | -                            | -                            |
|           | Benefits Paid                                                                  | (164.56)                     | (208.88)                     |
|           | <b>Present value of the obligation at the end of the year</b>                  | <b>1,759.10</b>              | <b>1,795.57</b>              |
| <b>b)</b> | <b>Change in Plan Assets</b>                                                   |                              |                              |
|           | Fair value of Plan Assets at the beginning of the year                         | 1,495.14                     | 1,589.23                     |
|           | Interest Income                                                                | 98.38                        | 111.73                       |
|           | Return on plan assets excluding interest income                                | 10.19                        | 3.05                         |
|           | Contributions by Plan Participants                                             | 0.25                         | -                            |
|           | Benefits Paid                                                                  | (164.56)                     | (208.88)                     |
|           | <b>Fair value of Plan Assets at the end of the year</b>                        | <b>1,439.39</b>              | <b>1,495.14</b>              |
| <b>c)</b> | <b>Amounts Recognised in the Balance Sheet</b>                                 |                              |                              |
|           | Present value of Obligation at the end of the year                             | (1,759.10)                   | (1,795.57)                   |
|           | Fair value of Plan Assets at the end of the year                               | 1,439.39                     | 1,495.14                     |
|           | <b>Net asset/(liability) at the end of the year</b>                            | <b>(319.70)</b>              | <b>(300.43)</b>              |

(₹ in lakhs)

| Sr. No. | Particulars                                                                            | Year Ended<br>March 31, 2025                         | Year Ended<br>March 31, 2024                         |
|---------|----------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| d)      | <b>Amounts Recognised in the Statement of Profit and Loss</b>                          |                                                      |                                                      |
|         | Current Service Cost                                                                   | 52.93                                                | 57.18                                                |
|         | Finance cost / (income)                                                                | 21.63                                                | 22.39                                                |
|         | <b>Net impact on the loss before tax</b>                                               | <b>74.56</b>                                         | <b>79.56</b>                                         |
| e)      | <b>Amounts Recognised in Other Comprehensive Income</b>                                |                                                      |                                                      |
|         | Actuarial (gains) / losses for the period                                              | (44.85)                                              | (72.75)                                              |
|         | Return on plan asset excluding interest income                                         | (10.15)                                              | (3.05)                                               |
|         | <b>Net (income) / expenses for the period recognised in other comprehensive income</b> | <b>(55.00)</b>                                       | <b>(75.81)</b>                                       |
| f)      | <b>Actual return on Plan Assets</b>                                                    |                                                      |                                                      |
|         | Interest Income                                                                        | 98.38                                                | (111.73)                                             |
|         | Actuarial Gain / (Loss) on Plan Assets                                                 | -                                                    | -                                                    |
|         | <b>Actual return on Plan Assets</b>                                                    | <b>98.38</b>                                         | <b>(111.73)</b>                                      |
| g)      | <b>Actuarial Assumptions</b>                                                           |                                                      |                                                      |
|         | i) Discount Rate                                                                       | 7.19%                                                | 7.19%                                                |
|         | ii) Expected Rate of Return on Plan Assets                                             | 7.19%                                                | 7.19%                                                |
|         | iii) Salary Escalation Rate                                                            | 4.00%                                                | 4.00%                                                |
|         | iv) Attrition Rate                                                                     | 2.00%                                                | 1.00% to 2.00%                                       |
|         | v) Mortality                                                                           | Indian Assured<br>Lives Mortality<br>(2012-14) Urban | Indian Assured<br>Lives Mortality<br>(2012-14) Urban |

(₹ in lakhs)

| <b>Maturity Analysis of the benefit payments from the fund</b>               | <b>Year ended<br/>March 31, 2025</b> | <b>Year ended<br/>March 31, 2024</b> |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Projected Benefits payable in future years from the date of reporting</b> |                                      |                                      |
| 1 St Following Year                                                          | 243.94                               | 303.88                               |
| 2 nd Following Year                                                          | 159.10                               | 118.59                               |
| 3 rd Following Year                                                          | 174.55                               | 211.04                               |
| 4 th Following Year                                                          | 203.06                               | 171.03                               |
| 5 th Following Year                                                          | 169.27                               | 195.42                               |
| Sum of years 6 th to 10 th                                                   | 799.09                               | 798.23                               |
| Sum of years 11 th and above                                                 | 542.91                               | 673.62                               |

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

(₹ in lakhs)

| <b>Sensitivity Analysis</b>                             | <b>Year ended<br/>March 31, 2025</b> | <b>Year ended<br/>March 31, 2024</b> |
|---------------------------------------------------------|--------------------------------------|--------------------------------------|
| Projected Benefit obligation On Current Assumptions     | 1,611.73                             | 1,667.09                             |
| Delta effect of +1% Change in rate of Discounting       | (71.07)                              | (74.21)                              |
| Delta effect of -1% Change in rate of Discounting       | 77.50                                | 81.21                                |
| Delta effect of +1% Change in rate of Salary increase   | 78.77                                | 82.98                                |
| Delta effect of -1% Change in rate of Salary increase   | (73.49)                              | (77.09)                              |
| Delta effect of +1% Change in rate of Employee Turnover | 9.98                                 | 13.48                                |
| Delta effect of -1% Change in rate of Employee Turnover | (10.60)                              | (14.37)                              |

Above disclosures have been made on the basis of certificate received from the actuary. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Management has made provision for gratuity payable to badli workers on the basis of internal valuation as in opinion of the management, the future expected service of badli workers could not be estimated. Provision for gratuity payable to badli workers on the basis of internal valuation as at March 31, 2025 is ₹ 375.73 lakhs (March 31, 2024 is ₹ 371.15 lakhs).

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

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

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

### 33. Lease

The group has taken certain office premises and leasehold land under non cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the company do not contain any variable lease payment or any residual value guarantees. The group has not entered into any sublease agreement.

(₹ in lakhs)

| <b>Particulars</b>                                            | <b>March 31, 2025</b> | <b>March 31, 2024</b> |
|---------------------------------------------------------------|-----------------------|-----------------------|
| Carrying amount right-of-use assets at beginning of the year  | 4.31                  | 6.49                  |
| Additions to right-of-use assets during the year              | -                     | -                     |
| Deletions to right-of-use assets during the year              | -                     | -                     |
| Amortisation of right-of-use assets during the year           | 2.17                  | 2.17                  |
| Interest expense (unwinding of discount) on lease liabilities | 0.87                  | 1.25                  |
| Total cash outflows in respect of leases                      | 4.71                  | 4.50                  |
| Carrying amount right-of-use assets at year end               | 2.15                  | 4.31                  |

(Refer note 41 for maturity analysis of lease liabilities)

Lease rentals of ₹ 3.49 lakhs (PY: ₹ 3.48 lakhs) in respect of short term lease have been recognised in the statement of profit and loss as rent expense.

### 34. Related Party Disclosures

#### **Name of the Related Parties and Description of Relationship:**

##### **Holding Company**

Shapoorji Pallonji and Company Private Limited.

##### **Subsidiary - Direct**

Gokak Power & Energy Limited

##### **Associate Company**

Suryoday One Energy Private Limited

##### **Fellow Subsidiaries (where there are transactions)**

Forvol International Services Limited

Evangelos Ventures Private Limited

Shapoorji Pallonji Infrastructure Capital Company Private Limited

Shapoorji Palloni Development Managers Private Limited

Shapoorji Pallonji Energy ( Gujarat) Private Limited

Sterling & Wilsons Private Limited

Sharus Steel Products Private Limited

##### **Trusts**

Gokak Falls Education and medical Trust

The Gokak Mills Chatitable Trust

Gokak Falls Education & Medical Trust

##### **Key Management Personnel and their relatives:-**

CEO and Managing Director, Mr. Gautam Kumtakar

Chief Financial Officer, Mr. Vipin Kumar Sharma

Company Secretary, Mr. Rakesh M. Nanwani

##### **Directors:**

Mr. Nikhil Bhatia

Mr. Pradip N. Kapadia (upto December 28, 2024)

Mr. D. G. Prasad (upto December 28, 2024)

Mr. Ganesan Rajamani (with effect from January 24, 2025)

Mr. Vinod Bhandawat

Ms. Tripti Nawani (upto February 14, 2024)

Mrs. Sunita Khanna (with effect from August 13, 2024)



## Particulars of transaction with Related Parties

|       | Year ended March 31, 2025<br>(Previous Year March 31, 2024) | Holding<br>Company | Associate<br>company | Subsidiary | Fellow<br>Subsidiaries | Key<br>Managerial<br>Personnel | Trust | Total        |
|-------|-------------------------------------------------------------|--------------------|----------------------|------------|------------------------|--------------------------------|-------|--------------|
|       |                                                             |                    |                      |            |                        |                                |       | (₹ in lakhs) |
| 1     | INCOME                                                      |                    |                      |            |                        |                                |       |              |
| (i)   | Interest                                                    | -                  | -                    | -          | -                      | -                              | -     | -            |
|       | Previous Year                                               | -                  | -                    | -          | -                      | -                              | -     | -            |
| (ii)  | Sale of Goods & Services                                    | -                  | -                    | -          | 33.98                  | -                              | 34.08 | 68.06        |
|       | Previous Year                                               | -                  | -                    | -          | -                      | -                              | 34.08 | 34.08        |
| (iii) | Rent                                                        | -                  | -                    | -          | -                      | -                              | 51.81 | 51.81        |
|       | Previous Year                                               | -                  | -                    | -          | -                      | -                              | 51.81 | 51.81        |
| 2     | EXPENSES                                                    |                    | -                    |            |                        |                                |       | -            |
| (i)   | Rent                                                        | -                  | -                    | -          | -                      | -                              | -     | -            |
|       | Previous Year                                               | -                  | -                    | -          | -                      | -                              | -     | -            |
| (ii)  | Services                                                    | 26.79              | -                    | -          | 613.11                 | -                              | -     | 639.90       |
|       | Previous Year                                               | 16.56              | -                    | -          | 206.36                 | -                              | -     | 222.92       |
| (iii) | Purchase of Electricity (incl<br>Electricity Tax)           |                    | -                    | -          | -                      | -                              | -     | -            |
|       | Previous Year                                               |                    | -                    | -          | -                      | -                              | -     | -            |
| (iv)  | Director's sitting fees                                     | -                  | -                    | -          | -                      | 23.70                          | -     | 23.70        |
|       | Previous Year                                               | -                  | -                    | -          | -                      | 22.70                          | -     | 22.70        |
| (v)   | Interest                                                    | -                  | -                    | -          | 845.43                 | -                              | -     | 845.43       |
|       | Previous Year                                               | -                  | -                    | -          | 911.85                 | -                              | -     | 911.85       |
| (vi)  | KMP Remuneration                                            | -                  | -                    | -          | -                      | 116.19                         | -     | 116.19       |
|       | Previous Year                                               | -                  | -                    | -          | -                      | 95.28                          | -     | 95.28        |
| 3     | Reimbursements                                              |                    | -                    |            |                        |                                |       | -            |
|       | Amount recovered on behalf                                  | -                  | -                    | -          | -                      | -                              | 13.44 | 13.44        |
|       | Previous Year                                               | -                  | -                    | -          | -                      | -                              | 14.01 | 14.01        |
| 4     | Preference Shares Issued during<br>the year                 | -                  | -                    | -          | -                      | -                              | -     | -            |
|       | Previous Year                                               | -                  | -                    | -          | -                      | -                              | -     | -            |
| 5     | ICD Taken (novated loan)                                    | -                  | -                    | -          | 510.00                 | -                              | -     | 510.00       |
|       | Previous Year                                               | 6,427.30           | -                    | -          | -                      | -                              | -     | 6,427.30     |
| 6     | ICD Repaid                                                  | -                  | -                    | -          | -                      | -                              | -     | -            |
|       | Previous Year                                               | 6,427.30           | -                    | -          | -                      | -                              | -     | 6,427.30     |

(₹ in lakhs)

|   | Year ended March 31, 2025<br>(Previous Year March 31, 2024)                          | Holding Company | Associate company | Subsidiary | Fellow Subsidiaries | Key Managerial Personnel | Trust | Total     |
|---|--------------------------------------------------------------------------------------|-----------------|-------------------|------------|---------------------|--------------------------|-------|-----------|
| 7 | Deposits given                                                                       | -               | -                 | -          | -                   | -                        | -     | -         |
|   | Previous Year                                                                        | -               | -                 | -          | -                   | -                        | -     | -         |
| 8 | OUTSTANDINGS                                                                         |                 |                   |            |                     |                          |       |           |
|   | Deposits Receivables                                                                 | -               | -                 | -          | -                   | -                        | -     | -         |
|   | Previous Year                                                                        | -               | -                 | -          | -                   | -                        | -     | -         |
|   | Receivables                                                                          | -               | -                 | -          | 28.27               | -                        | -     | 28.27     |
|   | Previous Year                                                                        | -               | -                 | -          | 18.24               | -                        | -     | 18.24     |
|   | Deposits Payables                                                                    | -               | -                 | -          | -                   | -                        | 33.32 | 33.32     |
|   | Previous Year                                                                        | -               | -                 | -          | -                   | -                        | 33.32 | 33.32     |
|   | Payables                                                                             | 115.79          | -                 | -          | 288.96              | -                        | 0.90  | 405.65    |
|   | Previous Year                                                                        | 96.55           | -                 | -          | 128.62              | -                        | 0.74  | 225.91    |
|   | ICD Payable                                                                          | -               | -                 | -          | 7,186.39            | -                        | -     | 7,186.39  |
|   | Previous Year                                                                        | -               | -                 | -          | 11,707.91           | -                        | -     | 11,707.91 |
|   | Perpetual Loans payables<br>(Reclassified to Instruments entirely equity in nature ) | 12,417.70       | -                 | -          | 2,975.27            | -                        | -     | 15,392.98 |
|   | Previous Year                                                                        | 11,427.30       | -                 | -          | 2,465.27            | -                        | -     | 13,892.58 |
|   | 11% Redeemable Non-convertible Cumulative Preference Shares                          | -               | -                 | -          | 4,654.55            | -                        | -     | 4,654.55  |
|   | Previous Year                                                                        | -               | -                 | -          | -                   | -                        | -     | -         |
|   | Investments in Equity Shares of Associate Company                                    | -               | -                 | -          | -                   | -                        | -     | -         |
|   | Previous Year                                                                        | -               | 0.26              | -          | -                   | -                        | -     | 0.26      |
|   | Corporate Guarantee                                                                  | -               | -                 | -          | 17,325.00           | -                        | -     | 17,325.00 |
|   | Previous Year                                                                        | -               | -                 | -          | -                   | -                        | -     | -         |

## 34A. Details of Related Party Transactions

(₹ in lakhs)

| Nature Of Transaction                                                              | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024 |
|------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Services Received (Expense)</b>                                                 |                              |                              |
| Shapoorji Pallonji & Company Private Limited                                       | 26.79                        | 16.56                        |
| Forvol International Services Limited                                              | 0.83                         | 3.50                         |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited                  | 612.27                       | 202.86                       |
| Sterling & Wilsons Private Limited                                                 | -                            | -                            |
|                                                                                    |                              |                              |
| <b>Rent ( Income )</b>                                                             |                              |                              |
| The Gokak Falls Educational And Medical Trust                                      | 45.00                        | 45.00                        |
| The Gokak Mills Charitable Trust                                                   | 6.81                         | 6.81                         |
|                                                                                    |                              |                              |
| <b>Service Income</b>                                                              |                              |                              |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited                  | 33.98                        | -                            |
| The gokak mills charitable trust                                                   | 34.08                        | 34.08                        |
|                                                                                    |                              |                              |
| <b>Interest Expense On ICD</b>                                                     |                              |                              |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited                  | 750.98                       | 820.60                       |
| Shapoorji Pallonji Energy ( Gujarat) Private Limited                               | 3.45                         | -                            |
| Shapoorji Pallonji Development Managers Pvt LTd                                    | 91.00                        | 91.25                        |
|                                                                                    |                              |                              |
| <b>Perpetual Loan taken</b>                                                        |                              |                              |
| Evangelos Ventures Private Limited (converted to perptual loan)                    | 260.00                       | -                            |
| Shapoorji Palloni Development Managers Private Limited                             | -                            | -                            |
| Shapoorji Pallonji and Company Pvt. Ltd. (novation & converted into perptual loan) | -                            | 6,427.30                     |
| Sharus Steel Products Private Limited                                              | 250.00                       | -                            |
|                                                                                    |                              |                              |
| <b>Loans / Perpetual Loans Repaid (including interest)</b>                         |                              |                              |
| Shapoorji Pallonji and Company Private Limited (Novation)                          |                              | 6,427.30                     |
|                                                                                    |                              |                              |
| <b>Reimbursement of Expenditure</b>                                                |                              |                              |
| Gokak Falls Education and medical Trust                                            | 0.71                         | 0.85                         |
|                                                                                    |                              |                              |
| <b>Perpetual Loans (Reclassified to Instruments entirely equity in nature)</b>     |                              |                              |
| Shapoorji Pallonji & Company Private Limited                                       | 11,427.30                    | 11,427.30                    |
| Evangelos Ventures Private Limited                                                 | 2,805.27                     | 2,545.27                     |
| Sharus Steel Products Private Limited                                              | 250.00                       | -                            |
|                                                                                    |                              |                              |
| <b>Unsecured Loans Payable</b>                                                     |                              |                              |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited                  | 6,525.63                     | 11,132.16                    |

(₹ in lakhs)

| <b>Nature Of Transaction</b>                                                  | <b>Year ended<br/>March 31, 2025</b> | <b>Year ended<br/>March 31, 2024</b> |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Shapoorji Pallonji Development Managers Pvt Ltd.                              | 514.02                               | 432.12                               |
| Shapoorji Pallonji Energy (Gujarat) P Ltd (ICD)                               | 66.73                                | 63.62                                |
|                                                                               |                                      |                                      |
| <b>Preference shares issued</b>                                               |                                      |                                      |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited             | 4,654.55                             | -                                    |
|                                                                               |                                      |                                      |
| <b>Corporate Guarantee (for loan taken by the Company)</b>                    |                                      |                                      |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited (Guarantor) | 17,325.00                            | -                                    |
|                                                                               |                                      |                                      |
| <b>Amounts Recovered on Behalf</b>                                            |                                      |                                      |
| Gokak Falls Education & Medical Trust                                         | 12.73                                | 13.16                                |
|                                                                               |                                      |                                      |
| <b>KMP Remuneration</b>                                                       |                                      |                                      |
| R R Patil                                                                     | -                                    | 54.69                                |
| Vipan Kumar Sharma                                                            | 32.44                                | 17.38                                |
| Rakesh M. Nanwani                                                             | 16.40                                | 7.69                                 |
| Gautam Kumtakar                                                               | 67.35                                | 15.53                                |
|                                                                               |                                      |                                      |
| <b>Sitting Fees</b>                                                           |                                      |                                      |
| Mr. Pradip Kapadia                                                            | 6.15                                 | 8.05                                 |
| Mr. D G Prasad                                                                | 4.05                                 | 5.10                                 |
| Ms. Tripti J. Navani                                                          | -                                    | 0.30                                 |
| Mr. Nikhil Bhatia                                                             | 7.25                                 | 6.30                                 |
| Mr. Vinod Bhandawat                                                           | 3.25                                 | 2.95                                 |
| Mr. Ganesan Rajamani                                                          | 1.80                                 | -                                    |
| Mrs. Sunita Khanna                                                            | 1.20                                 | -                                    |
|                                                                               |                                      |                                      |
| <b>Deposit (Receivable)</b>                                                   |                                      |                                      |
| Gokak Power & Energy Limited                                                  | -                                    | -                                    |
|                                                                               |                                      |                                      |
| <b>Receivables</b>                                                            |                                      |                                      |
| Shapoorji Pallonji and Company Private Limited                                | -                                    | -                                    |
| Sterling & Wilsons Private Limited                                            | 18.24                                | 18.24                                |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited             | 10.02                                | -                                    |
|                                                                               |                                      |                                      |
| <b>Deposit (Payable)</b>                                                      |                                      |                                      |
| The gokak falls educational and medical trust                                 | 12.26                                | 12.26                                |
| The gokak mills charitable trust                                              | 21.06                                | 21.06                                |
|                                                                               |                                      |                                      |
| <b>Payables (creditors)</b>                                                   |                                      |                                      |

(₹ in lakhs)

| <b>Nature Of Transaction</b>                                      | <b>Year ended<br/>March 31, 2025</b> | <b>Year ended<br/>March 31, 2024</b> |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Gokak falls Education and medical Trust                           | 0.90                                 | 0.74                                 |
| Shapoorji Pallonji Development Manager                            | -                                    | -                                    |
| Forvol International Services Limited                             | -                                    | 0.79                                 |
| Shapoorji Pallonji Energy (Gujarat) P Ltd                         | -                                    | -                                    |
| Forbes & Company Limited                                          | 6.79                                 | 6.79                                 |
| Shapoorji Pallonji and Company Private Limited (Mumbai)           | 115.79                               | 96.55                                |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited | 282.17                               | 121.05                               |
|                                                                   |                                      |                                      |
| <b>Perpetual Debentures</b>                                       |                                      |                                      |
| Shapoorji Pallonji and Company Private Limited                    | 990.40                               | -                                    |
|                                                                   |                                      |                                      |
| <b>Investments in Equity Shares of Associate Company</b>          |                                      |                                      |
| Suryoday One Energy Private Limited                               | -                                    | 0.26                                 |

| <b>Compensation of key management personnel of the Company</b> | <b>Year Ended<br/>March 31, 2025</b> | <b>Year Ended<br/>March 31, 2024</b> |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Short-term employee benefits                                   | 116.18                               | 95.28                                |
| Post-employment benefits#                                      | -                                    | -                                    |
| Other long-term benefits#                                      | -                                    | -                                    |
| Share-based payments                                           | -                                    | -                                    |

# As the liabilities for defined benefit plans and compensated absences are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

### 35. Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2, 2006, the Group is required to make certain disclosures relating to Micro, Small and Medium Enterprises. The Group is in the process of compiling and assimilating the relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available for all the suppliers, the disclosures have been made to the extent of information available with the Group.

(₹ in lakhs)

| <b>Sr. No.</b> | <b>Particulars</b>                                                                                                                                                                                                                                                 | <b>As at<br/>March 31, 2025</b> | <b>As at<br/>March 31, 2024</b> |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| 1              | The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;                                                                                                                                             | 84.33                           | 13.18                           |
| 2              | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;     | -                               | -                               |
| 3              | The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | -                               | -                               |

(₹ in lakhs)

| Sr. No. | Particulars                                                                                                                                                                                                                                                                                                                   | As at March 31, 2025 | As at March 31, 2024 |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| 4       | The amount of interest accrued and remaining unpaid at the end of year; and                                                                                                                                                                                                                                                   | 0.33                 | -                    |
| 5       | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | 11.44                | 11.59                |

### 36. Fair Value Disclosures

#### A) Categories of Financial Instruments:

(₹ in lakhs)

|                                           | As at March 31, 2025 |          |                       | As at March 31, 2024 |          |                       |
|-------------------------------------------|----------------------|----------|-----------------------|----------------------|----------|-----------------------|
|                                           | FVTPL                | FVTOCI   | Cost / Amortised Cost | FVTPL                | FVTOCI   | Cost / Amortised Cost |
| <b>i) Financial Assets</b>                |                      |          |                       |                      |          |                       |
| Investments                               | 0.03                 | -        | -                     | 0.03                 | -        | -                     |
| Trade Receivables                         | -                    | -        | 672.24                | -                    | -        | 1,179.50              |
| Cash & Bank Balances                      | -                    | -        | 257.18                | -                    | -        | 684.75                |
| Bank balances other than above            | -                    | -        | 2.74                  | -                    | -        | 124.82                |
| Other Financial Assets                    | -                    | -        | 187.75                | -                    | -        | 1,431.67              |
|                                           | <b>0.03</b>          | <b>-</b> | <b>1,119.91</b>       | <b>0.03</b>          | <b>-</b> | <b>3,420.74</b>       |
| <b>ii) Financial liabilities</b>          |                      |          |                       |                      |          |                       |
| Borrowings (including current maturities) | -                    | -        | 29,528.61             | -                    | -        | 26,785.69             |
| Trade Payables                            | -                    | -        | 5.58                  | -                    | -        | 9.41                  |
| Lease Liabilities                         | -                    | -        | 2,256.34              | -                    | -        | 1,711.37              |
| Other Financial Liabilities               | -                    | -        | 940.80                | -                    | -        | 5,201.79              |
|                                           | <b>-</b>             | <b>-</b> | <b>32,731.34</b>      | <b>-</b>             | <b>-</b> | <b>33,708.25</b>      |

(FVTPL: Fair value through profit and loss; FVOCI: Fair value through other comprehensive income)

#### Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Group considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 - Inputs for the asset or liabilities that are not based on observable market data (unobservable inputs).

**B) Financial Assets**

|                                   | As at March 31, 2025 |                |         |         |         |       |
|-----------------------------------|----------------------|----------------|---------|---------|---------|-------|
|                                   | Notes                | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| <b>Measured at FVTPL</b>          |                      |                |         |         |         |       |
| <b>Investments (Unquoted)</b>     |                      |                |         |         |         |       |
| Investments in Equity Instruments | 6A(b)(i)             | 0.03           | -       | -       | 0.03    | 0.03  |

**Financial Assets**

|                                              | As at March 31, 2024 |                |         |         |         |       |
|----------------------------------------------|----------------------|----------------|---------|---------|---------|-------|
|                                              | Notes                | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| <b>Measured at FVTPL</b>                     |                      |                |         |         |         |       |
| <b>Investments</b>                           |                      |                |         |         |         |       |
| Investments in Equity Instruments (unquoted) | 6A(b)(i)             | 0.03           | -       | -       | 0.03    | 0.03  |

- C) Considering the value of investments, the management has determined the fair value of these investment as constant throughout the period till March 31, 2025.

**37. Capital Management**

The Group aims to optimise returns to shareholders and safeguard its ability to continue as a going concern and manage its capital effectively. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs and long-term operating plans. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics. The capital structure of the Group consists of net debt (borrowings as detailed in Note 15) and offset by cash and bank balances (as detailed in Note 10A and 10B) and total equity and financial liability in respect of preference share capital of the Group. For the purpose of this ratio, perpetual loans (instruments entirely equity in nature) have been considered as part of equity.

| The capital components of the Group are as given below: | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------------------------|-------------------------|-------------------------|
| <b>Total Equity</b>                                     | <b>(5,553.98)</b>       | <b>(1,675.66)</b>       |
| Short Term Borrowings                                   | 2,156.90                | 1,552.53                |
| Long Term Borrowings                                    | 27,371.71               | 25,233.15               |
| <b>Total Debt</b>                                       | <b>29,528.61</b>        | <b>26,785.69</b>        |
| Cash and bank balances                                  | 257.18                  | 684.75                  |
| Bank balances other than above                          | 2.74                    | 124.82                  |
| <b>Net Debt</b>                                         | <b>29,271.43</b>        | <b>25,976.11</b>        |
| <b>Debt Equity Ratio = Net debt / Total Equity</b>      | <b>(5.27)</b>           | <b>(15.50)</b>          |

### 38 Financial risk management objectives

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

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

### 39 Market Risk

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

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

### 40 Currency risk

The Group's exposure to foreign currency risk is insignificant.

### 41 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and bank balance and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Group's finance department is responsible for liquidity, funding as well as settlement management. The processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows. Due to decline in operations and heavy fixed costs, the Group is facing liquidity issues since past few years. The Group is dependent upon the group entities for financial support.

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

(₹ in lakhs)

| Maturities of Financial Liabilities | Total            | As at March 31, 2025 |                 |                 |                   |
|-------------------------------------|------------------|----------------------|-----------------|-----------------|-------------------|
|                                     |                  | Upto 1 year          | 2 to 3 years    | 4 to 5 years    | 5 years and above |
| Borrowings                          | 29,528.61        | 2,156.90             | 9,451.40        | 1,895.16        | 15,123.43         |
| Trade Payables                      | 2,256.34         | 2,256.34             | -               | -               | -                 |
| Lease Liabilities                   | 5.58             | 0.42                 | 1.01            | 1.25            | 2.90              |
| Other Financial Liabilities         | 940.80           | 940.80               | -               | -               | -                 |
|                                     | <b>32,731.34</b> | <b>5,354.47</b>      | <b>9,452.41</b> | <b>1,896.41</b> | <b>15,126.33</b>  |

(₹ in lakhs)

| Maturities of Financial Liabilities | Total            | As at March 31, 2024 |                  |                 |                   |
|-------------------------------------|------------------|----------------------|------------------|-----------------|-------------------|
|                                     |                  | Upto 1 year          | 2 to 3 years     | 4 to 5 years    | 5 years and above |
| Borrowings                          | 26,785.69        | 1,552.53             | 13,528.13        | 2,196.16        | 9,508.86          |
| Trade Payables                      | 1,711.37         | 1,711.37             | -                | -               | -                 |
| Lease Liabilities                   | 9.41             | 3.84                 | 5.05             | 0.52            | -                 |
| Other Financial Liabilities         | 5,201.79         | 5,201.79             | -                | -               | -                 |
|                                     | <b>33,708.25</b> | <b>8,469.53</b>      | <b>13,533.18</b> | <b>2,196.68</b> | <b>9,508.86</b>   |



**42 Interest Rate Risk:-**

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates from Parent group entities from time to time and from other lenders. However, the reset of interest rate is not frequent. Significant part of inter corporate deposits classified as instruments entirely equity in nature to support the Group's financial position and reduce interest burden by the Parent and group companies. All external borrowings of the Group carried fixed rate of interest during the year.

**Exposure to interest rate risk**

Group's interest rate risk arises from borrowings. Borrowings issued at fixed and variable rates. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

**Fair value sensitivity analysis for fixed-rate instruments**

The Group does not account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

- 43** The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in lakhs)

| Maturities of Financial Assets | Total           | As at March 31, 2025 |              |              |                 |
|--------------------------------|-----------------|----------------------|--------------|--------------|-----------------|
|                                |                 | Upto 1 year          | 1 to 3 years | 3 to 5 years | 5 years & above |
| Investments                    | 0.03            | -                    | -            | -            | 0.03            |
| Trade Receivables              | 672.24          | 672.24               | -            | -            | -               |
| Cash and Bank balances         | 257.18          | 257.18               | -            | -            | -               |
| Bank balances other than above | 2.74            | 2.74                 | -            | -            | -               |
| Other Financial Assets         | 187.75          | 51.71                | -            | -            | 136.04          |
|                                | <b>1,119.94</b> | <b>983.87</b>        | -            | -            | <b>136.07</b>   |

(₹ in lakhs)

| Maturities of Financial Assets | Total           | As at March 31, 2024 |              |              |                   |
|--------------------------------|-----------------|----------------------|--------------|--------------|-------------------|
|                                |                 | Upto 1 year          | 2 to 3 years | 4 to 5 years | 5 years and above |
| Investments                    | 0.03            | -                    | -            | -            | 0.03              |
| Trade Receivables              | 1,179.50        | 1,179.50             | -            | -            | -                 |
| Cash and Bank balances         | 809.57          | 809.57               | -            | -            | -                 |
| Other Financial Assets         | 1,431.67        | 17.54                | -            | -            | 1,414.13          |
|                                | <b>3,420.76</b> | <b>2,006.61</b>      | -            | -            | <b>1,414.16</b>   |

#### 44 Segment reporting :-

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision - maker. the managing Director and Chief executive officer of the Company who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision - maker.

#### Reporting of Segment wise Revenue, Results, Assets And Liabilities

( ₹ in lakhs )

| Particulars                                                                                                                                                                                                                                                                                                                                               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Claims against the Company not acknowledged as debts</b>                                                                                                                                                                                                                                                                                               |                         |                         |
| <b>1) Segment Revenue</b>                                                                                                                                                                                                                                                                                                                                 |                         |                         |
| i) Excise duty Demand                                                                                                                                                                                                                                                                                                                                     | 110.38                  | 143.00                  |
| ii) Entry-tax                                                                                                                                                                                                                                                                                                                                             | 114.58                  | 114.58                  |
| iii) Service Tax and Penalty                                                                                                                                                                                                                                                                                                                              | 63.72                   | -                       |
| <b>2) Segment Assets</b>                                                                                                                                                                                                                                                                                                                                  |                         |                         |
| i) Labour matters in dispute                                                                                                                                                                                                                                                                                                                              | 95.00                   | 112.61                  |
| ii) Employee State Insurance                                                                                                                                                                                                                                                                                                                              | 4.37                    | 4.37                    |
| <b>3) Other:</b>                                                                                                                                                                                                                                                                                                                                          |                         |                         |
| i) Demand for increased lease rent<br>(as per lease rent agreement, rent was to be reviewed by the Government authorities; however it was not reviewed and demand for the same was raised during the year 2018-19. The Company has disputed on the grounds of inappropriate calculation and restrospective effect of the same in High court of Karnataka) | 9,858.98                | 9,858.98                |
|                                                                                                                                                                                                                                                                                                                                                           | <b>10,247.03</b>        | <b>10,233.54</b>        |

**44.1** Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Group is not able to reasonably ascertain the timing of the outflow.

**44.2** On December 12, 2023, the Company received a property tax demand, including interest, amounting to ₹ 131.94 lakhs from the Kunnur Town Municipal Office. This demand pertained to the financial years 2022–23 and 2023–24. The Group contested the applicability of the tax in the High Court of Karnataka, which, vide its order dated April 24, 2024, stayed the enforcement of the demand and granted time to the Municipal Office to file its objections. Since then, no further assessment or demand letters have been received from the Municipal Office in respect of this matter. The Group continues to carry a provision in its books for the full amount of the demand.

**44.3** The Group is subject to legal proceedings and claims which arise in the ordinary course of business. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's operations or financial condition.

**45. Details of provision for contingencies**

(₹ in lakhs)

|   |                                          | <b>Year Ended<br/>March 31, 2025</b> | <b>Year Ended<br/>March 31, 2024</b> |
|---|------------------------------------------|--------------------------------------|--------------------------------------|
| 1 | Balance as at the beginning of the year  | -                                    | <b>938.95</b>                        |
| 2 | Add: Provision made during the year      | -                                    | -                                    |
| 3 | Less: Reversal / utilisation during year | -                                    | (938.95)                             |
| 4 | Balance as at the end of the year        | -                                    | -                                    |

- 46** The Group has incurred a net loss (including other comprehensive income) ₹ 4,218.00 lakhs for the year ended March 31, 2025 and its current liabilities exceed its current assets by ₹ 3,895.57 lakhs as at March 31, 2025. The Group has also accumulated losses of ₹ 28,081.21 lakhs and its net worth has been fully eroded as at March 31, 2025. The textile division of the Group has been facing slowdown in business and financial difficulties in managing its working capital requirements and payment to certain creditors and sections of its employees are running in arrears. The continuity of the operations of the Group's textile segment is dependent upon the continued operational and financial support of Shapoorji Pallonji And Company Private Limited ('SPCPL'). The Management believes that the financial situation of its textile division will improve in the coming period. Further, the Scheme of merger of Suryoday One Energy Private Limited (engaged in the business of solar power generation) and restructuring of the reserves of the Company was approved and effected as at March 31, 2024 which is expected to improve Group's financial position in the future. The Group, during the last quarter of the year, suffered few fire incidents (Refer Note 30(iii) under exceptional items for details) in the said solar power plant which has impacted the solar power revenue for the year ended March 31, 2025 as compared with expected revenue for the year from this segment. During the year, the Group has received additional financial support from SPCPL Group companies in the form of perpetual loan aggregating to ₹ 510.00 lakhs and SPCPL has in the past demonstrated its support to the Group and is committed to provide or arrange the required financial and operational support to the Group to continue as a going concern. Accordingly, and based on the support from the SPCPL Group, the consolidated financial statements of the Group as a whole have been prepared on a going concern basis.

**47. Segment reporting :-**

The Chief Operating Decision maker of the Company examines Company's performance as two operating segments namely - Textiles and Power. The Company's sales during the year were restricted to India and the Company does not have any geographic segment. Out of the total revenue of textiles segment, three customers have contributed revenue more than 10% each during the year and in case of power segment, three customers have contributed revenue more than 10% each during the year.

**A. Information about operating segment**

The company's operating segment comprise of:

Textiles: consisting of manufacturing cotton yarn, blended yarn, industrial fabrics, terry towels, t-shirts, polos, undergarments, etc.

Power: consisting of generation and distribution of solar power

## B. Segment revenues, results and other information

(₹ in lakhs)

|           |                                            | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
|-----------|--------------------------------------------|------------------------------|------------------------------|
| <b>1.</b> | <b>Segment revenue</b>                     |                              |                              |
|           | Textile                                    | 5,971.54                     | 9,625.23                     |
|           | Power                                      | 5,013.03                     | 4,849.96                     |
|           | Inter segment                              | (646.67)                     | (1,073.78)                   |
|           | <b>Total Revenue</b>                       | <b>10,337.90</b>             | <b>13,401.41</b>             |
| <b>2.</b> | <b>Segment result (Profit before tax)</b>  |                              |                              |
|           | Textile                                    | (1,112.13)                   | (1,386.86)                   |
|           | Power                                      | (1,947.50)                   | (556.55)                     |
|           | <b>Profit before exceptional items</b>     | <b>(3,059.64)</b>            | <b>(1,943.41)</b>            |
|           | Exceptional items                          | (1,213.36)                   | -                            |
|           | Profit before tax                          | <b>(4,273.00)</b>            | <b>(1,943.41)</b>            |
|           | Income taxes                               |                              |                              |
|           | - Current taxes                            | -                            | -                            |
|           | - Deferred taxes                           | -                            | -                            |
|           | <b>Profit after tax</b>                    | <b>(4,273.00)</b>            | <b>(1,943.41)</b>            |
| <b>3.</b> | <b>Segment assets</b>                      |                              |                              |
|           | Textile                                    | 11,303.36                    | 12,967.42                    |
|           | Power                                      | 21,435.87                    | 24,727.92                    |
|           | Inter segment                              | (5,504.81)                   | (6,038.61)                   |
|           | <b>Total assets</b>                        | <b>27,234.42</b>             | <b>31,656.73</b>             |
| <b>4.</b> | <b>Segment liabilities</b>                 |                              |                              |
|           | Textile                                    | 10,313.12                    | 9,464.88                     |
|           | Power                                      | 29,689.06                    | 31,785.69                    |
|           | Inter segment                              | (5,504.54)                   | (6,038.61)                   |
|           | <b>Total liabilities</b>                   | <b>34,497.65</b>             | <b>35,211.96</b>             |
| <b>5.</b> | <b>Capital expenditures</b>                |                              |                              |
|           | Textile                                    | 0.92                         | 14.07                        |
|           | Power                                      | 171.92                       | 2.55                         |
|           | <b>Total capital expenditure</b>           | <b>172.84</b>                | <b>16.62</b>                 |
| <b>6.</b> | <b>Depreciation and amortisation</b>       |                              |                              |
|           | Textile                                    | 397.96                       | 472.37                       |
|           | Power                                      | 1,618.84                     | 1,603.71                     |
|           | <b>Total depreciation and amortisation</b> | <b>2,016.80</b>              | <b>2,076.08</b>              |

**48. Disclosure requirement as notified by MCA pursuant to amended schedule III :**

- 48.1** The Group does not hold any Benami property and no proceeding has been initiated or pending against the Group for holding any Benami property.
- 48.2** The Group did not have any transactions with companies struck off during the current or preceding financial year.
- 48.3** During the year, the Group had filed charge creation for obtaining new terms loan to the Registrar of the Company with a delay of 22 days. The delay was on account of administrative reasons in receiving the relevant documents. The Group did not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period as at March 31, 2025.
- 48.4** The Group has not traded or invested in Crypto currency or Virtual Currency during the current or preceding financial year.
- 48.5** No funds have been advanced or loaned or invested by the Group to/in any intermediary with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Further, no funds have been received from any person or entity ('Funding parties') with the understanding that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Funding Party.
- 48.6** The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 48.7** The Group has not been declared as a wilful defaulter by lender during the current or preceding financial year.
- 48.8** The Group has not made any Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.
- 49.** In accordance with Rule 3(1) of the Companies (Accounts) Rules, 2014, the Company and its subsidiary uses a central accounting software that includes a feature for recording an audit trail (edit log) of each and every transaction. This feature captures all changes made to the books of account, along with the date of such changes, within the software. The audit trail feature was operational throughout the year and was not tampered with. The Company and its subsidiary has preserved the audit trail in accordance with statutory record retention requirements. However, the audit trail feature was not available in one software application used by the company for maintaining the closing stock quantities of inventories and in one software used for payroll records. These software systems do not have any direct automated integration with the central accounting software. The Company and its subsidiary has implemented manual controls to review and validate the data before the periodic accounting of inventory and payroll transactions in the central accounting system. The Company and its subsidiary is in the process of implementing an audit trail feature in these supporting software applications as well. Despite these exceptions, the Company and its subsidiary has established and maintained an adequate internal control framework and, based on its assessment, believes that the framework was effective as of March 31, 2025.

**50. Composite Scheme of Arrangement accounted during previous financial year 2023-24:**

The Hon'ble National Company Law Tribunal ('NCLT'), in its order dated April 24, 2024 ('the Order') approved the Composite Scheme of Arrangement for reduction of share capital and re-organisation of reserves of the Group and amalgamation (by way of absorption) of Suryoday One Energy Private Limited ('SOEPL' or 'transferor company') into the Company ('the Scheme').

Pursuant to the Order, the Appointed Date of the Scheme was fixed at April 01, 2022 and the Scheme became effective from May 24, 2024 i.e. the last date on which the certified copy of the Order was filed with the Registrar of the Companies by the both amalgamating companies.

The amalgamation was accounted by applying the principles as set out in Appendix C of IND AS 103 "Business Combinations" and in accordance with the Ministry of Corporate Affairs (MCA) circular dated August 21, 2019, the Group considered the Appointed Date (i.e. April 01, 2022) as the date of amalgamation. Accordingly, the Group prepared its standalone financial statements for the year ended March 31, 2024 after giving effect to the aforesaid Scheme. The figures for the previous year ended March 31, 2023 and April 01, 2022 ('Restated Period') were restated to give effect to the Scheme with effect from the Appointed Date.

The figures for the Restated Period differed from the figures previously published by the Group due to the effect of above mentioned Scheme and were certified by the Management of the Group but were not subjected to audit by the statutory auditors of the Group.

**On approval of the Scheme, with effect from the Appointed Date:**

- (A) the Group accounted an aggregated gain on the extinguishment and cancellation of the equity and debt components of the preference shares and write back of borrowings (subsequently re-classified as perpetual loan - equity instruments) pertaining to the Shapoorji Pallonji And Company Private Limited ("the Holding Company") directly into the opening Retained Earnings of the Group as at April 01, 2022 as follows:"

| <b>Extinguishment of equity components / instruments wholly equity in nature / debt components</b> | <b>Amount<br/>(₹ Lakhs)</b> |
|----------------------------------------------------------------------------------------------------|-----------------------------|
| Extinguishment of equity component the preference shares                                           | 15,417.23                   |
| Write back of borrowings (subsequently classified as loan- instruments wholly equity in nature)    | 6,548.06                    |
| Extinguishment of debt component the preference shares                                             | 3,519.94                    |
| <b>Aggregate gain on extinguishment and write-back</b>                                             | <b>25,485.24</b>            |
| Less: Fair value of the consideration as at Appointed Date (instruments entirely equity in nature) | 990.40                      |
| <b>Net Gain accounted in opening retained earnings</b>                                             | <b>24,494.84</b>            |

The consideration, was payable by the way of issue of 23,58,10,000 fully paid-up 7% Perpetual Cumulative Debentures of face value ₹ 10 each which have been subsequently allotted. As per the terms of the said debentures, the debentures are of perpetual tenor and the coupon and redemption of the debentures is solely at the discretion of the Group. Accordingly, the same were considered to be instruments wholly equity in nature as per Ind AS 32 / Ind AS 109.

- (B) the Group accounted for amalgamation of SOEPL as per pooling of interest method prescribed in the 'Appendix C of Ind AS 103 - Business combinations of entities under common control' by combining the assets, liabilities and reserves of the SOEPL at their carrying amounts with only such adjustments which were required to harmonise the accounting policies. The consideration for amalgamation was payable to the shareholders of SOEPL in the form of 4,25,60,000 fully paid-up 11% Redeemable Non-convertible Cumulative Preference Shares of face value ₹ 10 each in proportion of their holdings in SOEPL on Record Date (i.e. May 22, 2024) as approved by the Board of Director which have been subsequently allotted. The difference between the consideration issuable and the equity share capital of SOEPL (a debit balance) was transferred to capital reserve on common control amalgamation as follows:

| <b>Particulars of balances of SOEPL as at Appointed Date</b> | <b>Amounts<br/>(₹ Lakhs)</b> |
|--------------------------------------------------------------|------------------------------|
| Aggregate carrying amount of assets of SOEPL taken over      | 26,946.80                    |
| Aggregate carrying amount of liabilities of SOEPL taken over | 27,078.39                    |
| Retained earnings of SOEPL taken over (Debit balance)        | (3,631.59)                   |

| <b>Particulars</b>                                                    | <b>Amounts<br/>(₹ Lakhs)</b> |
|-----------------------------------------------------------------------|------------------------------|
| Equity share capital of SOEPL cancelled                               | 3,500.00                     |
| Purchase Consideration to be issued as per scheme                     | (4,256.00)                   |
| <b>Capital Reserve (debit balance) on common control amalgamation</b> | <b>(756.00)</b>              |

Disclosures as per 'Appendix C of the Ind AS 103 - Business combinations of entities under common control' are as hereunder:

- (a) Names and general nature of business of the combining entities:
- (i) Suryoday One Energy Private Limited ('Transferor') is engaged in the business of Solar Power generation
  - (ii) Gokak Textiles Limited ('Transferee') is engaged in the business of Textiles

- (b) Date on which the transferor obtains control of the transferee:

With effect from April 01, 2022 (i.e. the Appointed Date as per the Scheme)

- (c) Description and number of shares issued to effect the business combination:

4,25,60,000 fully paid-up 11% Redeemable Non-convertible Cumulative Preference Shares of face value ₹ 10 each in the ratio of 1,210 shares for each 1,000 equity shares of the transferor.

- (d) Difference between the consideration and the value of net identifiable assets acquired, and the treatment thereof:

The difference of ₹ 756 Lakhs, being the excess of the consideration payable over the nominal amount of equity share capital of the transferor, has been accounted as capital reserve (debit balance) arising from amalgamation of common control entities.

51. On May 13, 2025 at approximately 7:25 p.m., a severe lightning strike coincided with a failure of the 110 kV grid supply, causing both 25 MVA transformers, PTR-1 and PTR-2, at the Group's solar power plant to fail. A physical inspection of the transformers and their control-relay panels pointed to internal problems in PTR-2, so an external specialist team was engaged to test the unit. Comprehensive testing revealed damage to the winding coils, specifically the Y-phase coils. Because the coil/winding cannot be repaired on-site, the transformer will be sent to the manufacturer's (or repair vendor's) facility. The repair is expected to take approximately five to six weeks. As a result of the outage, 20 MW of the plant's 40 MW capacity is offline. The incident is classified as a non-adjusting subsequent event, so no changes have been made to the consolidated financial statements for the year ended March 31, 2025.
52. These financial statements were approved for issue by the board of directors on May 23, 2025.
53. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

(Membership No. A45718)

Place: Mumbai

Date: May 23, 2025

**Gautam V. Kumtakar**

(MD & CEO)

(DIN: 09791999)



**BOARDS' REPORT  
AND  
FINANCIAL STATEMENTS OF  
GOKAK POWER & ENERGY LIMITED  
FOR THE YEAR ENDED MARCH 31, 2025**



|                                        |                                                                                                                                  |                                       |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Directors                              | : Vinod J. Bhandawat                                                                                                             | - Non-Executive Director and Chairman |
|                                        | Pradip N. Kapadia                                                                                                                | - Independent Director                |
|                                        | Nikhil J. Bhatia                                                                                                                 | - Independent Director                |
|                                        | Gautam V. Kuntakar                                                                                                               | - Wholetime Director                  |
| Chief Financial Officer                | : Vipin Kumar Sharma                                                                                                             |                                       |
| Company Secretary & Compliance Officer | : Rakesh M. Nanwani                                                                                                              |                                       |
| Statutory Auditors                     | : Batliboi & Purohit, Chartered Accountants                                                                                      |                                       |
| Bankers                                | : ICICI Bank Limited<br>HDFC Bank Limited                                                                                        |                                       |
| Hydro Power House                      | : Gokak Falls - 591 308 (District Belagavi - Karnataka)                                                                          |                                       |
| D J Madan Power House                  | : Dupdhal - 591306, Taluka: Gokak Dist. Belagavi, Karnataka                                                                      |                                       |
| Registered Office                      | : #1, 2 <sup>nd</sup> Floor, 12 <sup>th</sup> Cross, Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Bengaluru – 560 098 |                                       |
| CIN                                    | : U40103KA2012PLC062107                                                                                                          |                                       |
| GSTIN                                  | : 29AAECG7331B1ZU                                                                                                                |                                       |



## Report of Board and Management Discussion & Analysis

To  
The Members of  
**Gokak Power & Energy Limited**

Your Directors present their Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2025.

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

(₹ in Lakhs)

| Particulars |                                                            | For the Financial<br>Year 01.04.2024<br>to 31.03.2025 | For the Financial<br>Year 01.04.2023<br>to 31.03.2024 |
|-------------|------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| (a)         | Gross Revenue                                              | 1,178.09                                              | 686.85                                                |
|             | Less: Costs                                                | 363.64                                                | 288.87                                                |
| (b)         | Earnings before Interest, Depreciation & Taxation (EBIDTA) | 814.45                                                | 397.98                                                |
|             | Less: Interest                                             | 387.58                                                | 477.21                                                |
| (c)         | Cash Profit / (Loss)                                       | 426.87                                                | -79.22                                                |
|             | Less: Depreciation                                         | 356.01                                                | 356.83                                                |
| (d)         | Profit Before Tax (PBT)                                    | 70.86                                                 | -436.05                                               |
|             | Less: Deferred Tax                                         | 0.00                                                  | 0.00                                                  |
|             | Other Comprehensive Income                                 | -0.59                                                 | -0.13                                                 |
| (e)         | Net Profit / (Loss)                                        | 70.27                                                 | -436.18                                               |

### 2. Operations

During the year under review, the Company has recorded gross income of ₹ 1,178.09 lakhs (previous year ₹ 686.85 lakhs) and net profit / (loss) for the year of ₹ 70.27 lakhs (previous year ₹ (436.18) lakhs).

During the year under review GPEL generated 30.50 Million Units of electricity (previous year 15.25 Million Units were generated).

### 3. Outlook

As per forecast by India Meteorological Department, it is expected that the monsoon is most likely to be above normal (>104 of LPA). Quantitatively, the seasonal rainfall over the country as a whole is likely to be 105% of LPA with a model error of  $\pm 5\%$ . The LPA of the season rainfall over the country as a whole for the period 1971-2020 is 87 cm. The reservoir upstream of Gokak Falls is expected to be full and water would be available from Hidkal Dam for the whole year for power generation. The company shall put all efforts to maximize the power generation through efficient management and adequate maintenance of the plant.

### 4. Share Capital

The paid up equity share capital of the Company as on March 31, 2025 was ₹ 49 Crores. During the year under review, the Company has not issued any shares with differential voting rights or 'sweat equity shares' and has not granted any stock options.

### 5. Dividend and Transfer to Reserves

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

**6. Material changes and commitments**

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Report.

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

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

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

**8. Deposits**

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

**9. Board of Directors and Key Managerial Personnel**

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

| Sr. No | Name of the Director                   | Designation         | Category                      |
|--------|----------------------------------------|---------------------|-------------------------------|
| 1      | Mr. Vinod J. Bhandawat (DIN: 02873571) | Director            | Non-Executive Non-Independent |
| 2      | Mr. Pradip N. Kapadia (DIN:00078673)   | Director            | Non-Executive Independent     |
| 3      | Mr. Nikhil J. Bhatia (DIN: 00414281)   | Director            | Non-Executive Independent     |
| 4      | Mr. Gautam V. Kumtakar (DIN: 09791999) | Whole-time Director | Executive Non-Independent     |

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

Key Managerial Personnel of the Company as on March 31, 2025 were Mr. Gautam V. Kumtakar, Whole-time Director, Mr. Rakesh M. Nanwani, Company Secretary & Compliance Officer and Mr. Vipin Kumar Sharma, Chief Financial Officer.

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

**10. Meetings of the Board of Directors and Attendance**

The Board met at least once in each quarter. 4 Meetings were held during the financial year ended March 31, 2025 i.e. on May 25, 2024; August 13, 2024; November 14, 2024 and February 10, 2025. The number of meetings held and attended during the year are as under:

| Sr.No | Name of the Directors  | Number of Board Meetings held during the Financial year ended March 31, 2025 |          |
|-------|------------------------|------------------------------------------------------------------------------|----------|
|       |                        | Held                                                                         | Attended |
| 1.    | Mr. Vinod Bhandawat    | 4                                                                            | 4        |
| 2.    | Mr. Pradip N. Kapadia  | 4                                                                            | 4        |
| 3.    | Mr. Nikhil J. Bhatia   | 4                                                                            | 4        |
| 4.    | Mr. Gautam V. Kumtakar | 4                                                                            | 4        |



## 11. Committees of the Board

### a. Audit Committee

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

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

| Sr. No | Name of the Director                            | Category                  |
|--------|-------------------------------------------------|---------------------------|
| 1      | Mr. Nikhil J. Bhatia - Chairman (DIN: 00414281) | Non-Executive Independent |
| 2      | Mr. Pradip N. Kapadia (DIN:00078673)            | Non-Executive Independent |
| 3      | Mr. Gautam V. Kuntakar (DIN: 09791999)          | Executive Non-Independent |

The Chairman of the Audit Committee is an Independent Director. Majority of Members of the Audit Committee including its Chairperson have the ability to read and understand the financial statement. The Whole-time Director and Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The Company Secretary also functions as Compliance Officer.

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

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

The Committee meets at least once in each quarter. 4 Meetings were held during the financial year ended March 31, 2025 i.e. on May 25, 2024; August 13, 2024; November 14, 2024 and February 10, 2025.

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

| Sr. No | Name of the Directors           | Number of Audit Committee Meetings held during the Financial year ended March 31, 2025 |          |
|--------|---------------------------------|----------------------------------------------------------------------------------------|----------|
|        |                                 | Held                                                                                   | Attended |
| 1.     | Mr. Nikhil J. Bhatia – Chairman | 4                                                                                      | 4        |
| 2.     | Mr. Pradip N. Kapadia           | 4                                                                                      | 4        |
| 3.     | Mr. Gautam V. Kuntakar          | 4                                                                                      | 4        |

### b. Nomination and Remuneration Committee

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

Brief description of terms of reference:

- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommending to the Board their appointment and removal.
- Shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

4. Devising a policy on Board diversity.
5. Recommending the remuneration after taking into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.
6. Reviewing and determining all elements of remuneration package striking the balance between the interest of the Company and the shareholders.
7. All information about the Directors/Managing Director/ Whole time Director/ Key Managerial Personnel i.e background details, past remuneration, recognition or awards, job profile, etc., shall be considered and disclosed to Shareholders, whenever required.

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

| Sr. No | Name of the Director                            | Category                      |
|--------|-------------------------------------------------|-------------------------------|
| 1      | Mr. Nikhil J. Bhatia - Chairman (DIN: 00414281) | Non-Executive Independent     |
| 2      | Mr. Pradip N. Kapadia (DIN:00078673)            | Non-Executive Independent     |
| 3      | Mr. Vinod J. Bhandawat (DIN: 02873571)          | Non-Executive Non-Independent |

One (1) Meeting was held during the financial year ended March 31, 2025 i.e. on March 28, 2025.

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

| Sr.No | Name of the Directors           | Number of Nomination and Remuneration Committee Meetings held during the Financial year ended March 31, 2025 |          |
|-------|---------------------------------|--------------------------------------------------------------------------------------------------------------|----------|
|       |                                 | Held                                                                                                         | Attended |
| 1.    | Mr. Nikhil J. Bhatia - Chairman | 1                                                                                                            | 1        |
| 2.    | Mr. Pradip N. Kapadia           | 1                                                                                                            | 1        |
| 3.    | Mr. Vinod J. Bhandawat          | 1                                                                                                            | 1        |

## 12. Board Evaluation

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

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

## 13. Particulars of Employees

During the financial year 2024 - 25, the Company did not have any employee who was in receipt of remuneration in aggregate not less than ₹ 1.02 crores P.A if employed through the financial year and in aggregate not less than Ra. 8.50 lakhs P.M if employed for part of financial year.

## 14. Auditors and Auditors Report :

### (a) Statutory Auditors

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

Pursuant to the provisions of section 139 (2), M/s Batliboi & Purohit, Chartered Accountants, were eligible to be re-appointed as statutory auditors of the Company for another term of five years.



The shareholders of the Company at their 11<sup>th</sup> Annual General Meeting held (AGM) held on September 29, 2022 had re-appointed Batliboi & Purohit Chartered Accountants as Statutory Auditors of the Company until the Conclusion of the 16<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027 and authorized the Board to fix the remuneration.

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

**(b) Secretarial Auditor**

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

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

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

**16. Particulars of contracts or arrangements with related parties:**

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

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

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

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

**17. Statutory Disclosures :**

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

**18. Obligation of Company under the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has adopted a policy as per the provisions of Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for prevention, prohibition and redressal of complaints of sexual harassment at workplace. Internal Complaints & Committee (ICC) has been setup to redress complaints received regarding sexual harassment as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of Complaints received during the year:

| Sr. No. | Particulars                                                    | Status |
|---------|----------------------------------------------------------------|--------|
| 1       | Number of Complaints of Sexual harassment received in the year | NIL    |
| 2       | Number of Complaints disposed off during the year              | NIL    |
| 3       | Number of cases pending for more than ninety days              | NIL    |

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

**19. Conservation of energy, technology absorption and foreign exchange earnings and outgo :**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**a) Conservation of energy :**

|       |                                                                           |     |
|-------|---------------------------------------------------------------------------|-----|
| (i)   | The steps taken or impact on conservation of energy.                      | NIL |
| (ii)  | The steps taken by the Company for utilizing alternate sources of energy. | NIL |
| (iii) | The capital investment on Energy conservation equipments                  | NIL |

**(b) Technology absorption :**

|       |                                                                                                                                                                               |                                                                                                      |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| (i)   | the efforts made towards technology absorption                                                                                                                                | Implemented new OPU system to unit No. 7.                                                            |
| (ii)  | the benefits derived like product improvement, cost reduction, product development or import substitution                                                                     | Reliability of the machine has increased, giving steady power generation, reducing machine downtime. |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-                                                      | NIL                                                                                                  |
|       | (a) the details of technology imported                                                                                                                                        |                                                                                                      |
|       | (b) the year of import;                                                                                                                                                       |                                                                                                      |
|       | (c) whether the technology been fully absorbed                                                                                                                                |                                                                                                      |
| (iv)  | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and future plan of action the expenditure incurred on Research and Development |                                                                                                      |

**(c) Foreign exchange earnings and outgo : NIL****20. Human Resources :**

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

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

**21. Directors' Responsibility Statement:**

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

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



## **22. Internal Financial Control and their adequacy:**

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

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

## **23. Risk Management Policy:**

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

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

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, Competition, Business risk, Technology obsolescence, retention of talent and expansion of facilities. As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

## **24. Details of Fraud Report by Auditor:**

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

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

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

## **26. Statutory Compliances**

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

## **27. Annual Return:**

Pursuant to the provisions of Section 92(3) read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, every company shall place a copy of annual return on the website of the company, if any, and the web-link of such annual return shall be disclosed in the Board's Report and a copy of the Annual Return shall be filed with the Registrar. The Company does not have website, the Annual Return will be filed with Registrar.

## **28. Change In The Nature Of Business, If Any:**

There is no change in the Nature of Business of the Company.

## **29. Transfer of Unclaimed Dividend to Investor Education And Protection Fund:**

Since no dividend has been declared by the Company, there was no unpaid/unclaimed dividend and accordingly the provisions of Section 125 of the Companies Act, 2013 do not apply.



**30. Details of Application Made or Any Proceeding Pending Under The Insolvency And Bankruptcy Code, 2016 (31 Of 2016) During The Year Along With Their Status As At The End Of The Financial Year: NIL**

**31. The Details Of Difference Between Amount Of The Valuation Done At The Time Of One Time Settlement And The Valuation Done While Taking Loan From The Banks Or Financial Institutions Along With The Reasons Thereof:**

The Company has not undergone for valuation during the year.

**32. Statement by the company with respect to the compliance to the provisions relating to the Maternity Benefits Act, 1961:**

The Company confirms that it adheres to the provisions of the Act, ensuring maternity leave benefits, suitable workplace facilities, and other related provisions. During the period under review, there was no eligible employee to avail the benefits to the Act.

**33. Acknowledgements:**

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

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

Place : Mumbai,  
Date : May 23, 2025

**Gautam V. Kumtakar**  
Whole-time Director  
DIN : 09791999

**Vinod J. Bhandawat**  
Chairman  
DIN: 02873571



**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**

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

[Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

**FOR THE FINANCIAL YEAR ENDED: 31<sup>st</sup> March, 2025**

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on 31<sup>st</sup> March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; -Not Applicable
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment and overseas direct investment and External Commercial Borrowings. (No such transaction took place during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; -Not Applicable
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;- Not Applicable
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; -Not Applicable
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; -Not Applicable
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2021; -Not Applicable
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;- Not Applicable
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -Not Applicable
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -Not Applicable
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; -Not Applicable

vi. Other laws applicable specifically to the Company namely:

Labour Laws

- a) The Factories Act, 1948
- b) The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
- c) The Employees Provident Fund & Miscellaneous Provisions Act, 1952 and Employees Deposit Linked Insurance Scheme, 1976
- d) The Employees State Insurance Act, 1948
- e) The Payment of Wages Act, 1936
- f) The Child Labour (Regulation & Abolition) Act, 1970
- g) The Shops & Establishments Act, 1961
- h) The Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963
- i) The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013
- j) The Industrial Disputes Act, 1947
- k) The Minimum Wages Act, 1948
- l) Payment of Bonus Act, 1965
- m) The Industrial Employment (Standing Orders) Act, 1946
- n) The Karnataka Labour Welfare Fund Act, 1965
- o) Payment of Gratuity Act, 1972

Power Sector

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

Other Laws

- a) The Indian Stamp Act, 1899
- b) Information Technology Act, 2000
- c) The Competition Act, 2002

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

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

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

**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. There were no changes in the composition of the Board of Directors during the period under review.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Whole-time director of the Company which was taken on record by the Board of Directors, 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 as per the list of such laws as mentioned above in Point No. vi of this report.

There was no event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc., during the audit period.

For **KDSH & Associates LLP**

**Kiran Desai**

Designated Partner

FCS10056| CP No: 12924

UDIN: **F010056G000377786**

Peer Review Certificate Number 2406/2022

Place: Bangalore

Date: 19/05/2025

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

**Annexure 'A'**

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

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

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

For **KDSH & Associates LLP**

**Kiran Desai**

Designated Partner

FCS10056| CP No: 12924

UDIN: **F010056G000377786**

Peer Review Certificate Number 2406/2022

Annual Report 2024-25

Place: Bangalore

Date: 19/05/2025

## Annexure II

## Form AOC-2

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

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

|    |                                                                                                                   |                                                                                                                                                    |
|----|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Details of contracts / arrangements or transactions not at arm's length basis                                     | Nil                                                                                                                                                |
| 2. | Details of material contracts / arrangements or transactions at arm's length basis                                | 01-April-2024 to 31-March-2025                                                                                                                     |
| a. | Name of related party and nature of relationship                                                                  | Gokak Textiles Limited (Holding Company)                                                                                                           |
| b. | Nature of contracts / arrangements /transactions                                                                  | Agreement for transfer of power between Gokak Power & Energy Limited and Gokak Textiles Limited, Holding Company captive user for consumption.     |
| c. | Duration of contracts / arrangements/ transactions                                                                | 20 years w.e.f. 27.09.2012                                                                                                                         |
| d. | Salient terms of the contracts / arrangements/ transactions including Value, if any                               | Captive user agrees to pay ₹ 4.47 + ₹ 0.20 (electricity duty) for every unit of power transferred, subject to conditions laid out in the agreement |
| e. | Dates of Approval by the Board, if any                                                                            | 22.05.2012                                                                                                                                         |
| f. | Amount received as advance, if any                                                                                | Security Deposit – Rupees One Lakh                                                                                                                 |
| 1  | Details of contracts or arrangements or transactions not at arm's length basis                                    | Nil                                                                                                                                                |
| 2  | Details of material contracts or arrangement or transactions at arm's length basis:                               | 01-April-2024 to 31-March-2025                                                                                                                     |
| a. | Name(s) of the related party and nature of relationship                                                           | Gokak Textiles Limited (Holding Company)                                                                                                           |
| b. | Nature of contracts/arrangements/ Transactions                                                                    | Novation Agreement for unsecured loan                                                                                                              |
| c. | Duration of the contracts/arrangements/ Transactions                                                              | Payable on demand                                                                                                                                  |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any                        | Novated unsecured loan of ₹ 6427.30 lakhs (principle amount ₹ 4069.00 lakhs) @ 11.50 % P.A.                                                        |
| e. | Date(s) of approval by the Board, if any:                                                                         | November 09, 2022                                                                                                                                  |
| f. | Amount paid as advances, if any:                                                                                  | Nil                                                                                                                                                |
| g. | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | July 14, 2023                                                                                                                                      |

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

Place : Mumbai,  
Date : May 23, 2025

**Gautam V. Kumtakar**  
Whole-time Director  
DIN : 09791999

**Vinod J. Bhandawat**  
Chairman  
DIN: 02873571



## INDEPENDENT AUDITORS' REPORT

To the Members of Gokak Power & Energy Limited

### Report on the audit of Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Gokak Power & Energy Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

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

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

#### Responsibility of Management for 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 except for the matters stated in the paragraph '2.(i)vi.' below on reporting under Rule 11(g) of the Companies (Audit and Auditors Rules, 2014).
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes



in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph '2.(b)' above on reporting under Section 143(3)(b) of the Act and paragraph '2.(i)vi.' below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid/provided by the Company to its directors during the year under the provisions of section 197 of the Act.
- i) 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 did not have any pending litigations which could impact its financial position as at March 31, 2025.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.
  - v. The Company has not declared or paid any dividend during the year.



- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except in case of one software used for maintaining payroll records did not have audit trail feature throughout the year. Further, in respect software for which audit trail existed, during the course of our audit we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail, pertaining to the software for which it existed, has been preserved by the Company as per the statutory requirements for record retention.

**For BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Reg. No.101048W

**N. S. Gaur**

Partner

Membership No. 137138

ICAI UDIN: 25137138BMGGHO4230

Place : Mumbai

Date : May 23, 2025



## Annexure - A to the Auditors' Report

(The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2025)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company does not have any intangible assets. Accordingly, paragraph 3(i)(a)(B) is not applicable.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all items of Property, Plant and Equipment are verified once in every two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said programme, certain items of Property, Plant and Equipment were physically verified during the year and no material discrepancies were observed on such verification.
- (c) Based on our examination of According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title in respect of self-constructed building (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventories (consisting of stores and spares) at reasonable intervals during the year. In our opinion, with regards to the nature and size of its inventories, the coverage and procedure of such physical verification carried out during the year were appropriate. Discrepancies noted during such physical verification were less than 10% of respective inventory classes. All discrepancies noted during the year were properly dealt with in the books of account.
- (b) During the year, the Company did not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from any banks on the basis of security of its current assets. Accordingly, paragraph 3(ii)(b) of the Order is not applicable.
- (iii) During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or given guarantees in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for 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 Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added 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 and explanations given to us, no undisputed statutory dues referred above were in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us by the Company and on the basis of our examination of the books of account and the record, there are no dues of Provident Fund, employees' state insurance Income Tax, Goods and service tax, Duty of Customs, outstanding on account of any dispute.
- viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) (a) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not defaulted in repayment of principal and payment of interest to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.
- (e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of our report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the audit procedures performed by us, transactions with the related parties during the year were in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.



- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
  - (c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
  - (d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) has two Core Investment Companies (CICs) as part of the Group.
  - (xvii) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not incurred cash losses in the current financial year. The Company had incurred cash losses of Rs. 79.35 lakhs in the immediately preceding financial year.
  - (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
  - (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spend any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

**For BATLIBOI & PUROHIT**

Chartered Accountants  
ICAI Firm Reg. No.101048W

**N. S. Gaur**

Partner  
Membership No. 137138  
ICAI UDIN: 25137138BMGGHO4230

Place : Mumbai

Date : May 23, 2025

## Annexure - B to the Auditors' Report

(Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

We have audited the internal financial control with reference to the financial statements of **Gokak Power & Energy Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the 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 criteria for internal financial controls with reference to financial statements established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to these financial statements.

#### Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted Accounting Principles. A company's internal financial control with reference to financial statements 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 the 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future



periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to the financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31 2025, based on the criteria for internal control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

### **For BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Reg. No.101048W

### **N. S. Gaur**

Partner

Membership No. 137138

ICAI UDIN: 25137138BMGGHO4230

Place : Mumbai

Date : May 23, 2025

**BALANCE SHEET AS AT MARCH 31, 2025**

| Particulars                                               | Note No. | As at March 31, 2025<br>(₹ in Lakhs) | As at March 31, 2024<br>(₹ in Lakhs) |
|-----------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| <b>Assets</b>                                             |          |                                      |                                      |
| 1 Non-current assets                                      |          |                                      |                                      |
| a) Property, Plant and Equipment                          | 3        | 8,052.71                             | 8,402.93                             |
| b) Capital work-in-progress                               | 3A       | -                                    | 5.41                                 |
|                                                           |          | <b>8,052.71</b>                      | <b>8,408.34</b>                      |
| c) Financial Assets:                                      |          |                                      |                                      |
| i) Investments                                            | 4        | -                                    | 0.26                                 |
| d) Tax assets                                             |          |                                      |                                      |
| i) Deferred tax assets (net)                              | 24       | -                                    | -                                    |
| ii) Income tax assets (net)                               |          | 7.99                                 | 7.47                                 |
|                                                           |          | <b>7.99</b>                          | <b>7.47</b>                          |
| e) Other non-current assets                               | 8A       | 39.60                                | 39.94                                |
| <b>Total Non-current assets</b>                           |          | <b>8,100.30</b>                      | <b>8,456.01</b>                      |
| 2 Current assets                                          |          |                                      |                                      |
| a) Inventories                                            | 6        | 3.45                                 | 8.25                                 |
| b) Financial Assets:                                      |          |                                      |                                      |
| i) Trade receivables                                      | 5        | 28.59                                | 77.22                                |
| ii) Cash and cash equivalents                             | 7A       | 1.54                                 | 1.71                                 |
| iii) Bank balances other than (ii) above                  | 7B       | -                                    | -                                    |
|                                                           |          | <b>33.58</b>                         | <b>87.18</b>                         |
| c) Other current assets                                   | 8B       | 27.78                                | 24.44                                |
| <b>Total Current assets</b>                               |          | <b>61.36</b>                         | <b>111.62</b>                        |
| <b>Total Assets</b>                                       |          | <b>8,161.66</b>                      | <b>8,567.63</b>                      |
| <b>Equity and Liabilities</b>                             |          |                                      |                                      |
| <b>Equity</b>                                             |          |                                      |                                      |
| a) Equity share capital                                   | 9        | 4,900.00                             | 4,900.00                             |
| b) Instruments entirely equity in nature                  | 10A      | 80.00                                | 80.00                                |
| c) Other equity                                           | 10B      | (3,274.33)                           | (3,344.60)                           |
| <b>Total Equity</b>                                       |          | <b>1,705.68</b>                      | <b>1,635.40</b>                      |
| <b>Liabilities</b>                                        |          |                                      |                                      |
| 1 Non-current liabilities                                 |          |                                      |                                      |
| a) Financial liabilities:                                 |          |                                      |                                      |
| i) Borrowings                                             | 11A      | 901.72                               | 846.58                               |
| ii) Other financial liabilities                           | 12A      | 1.00                                 | 1.00                                 |
|                                                           |          | <b>902.72</b>                        | <b>847.58</b>                        |
| b) Provisions                                             | 13A      | 2.23                                 | 1.66                                 |
| <b>Total Non-current liabilities</b>                      |          | <b>904.95</b>                        | <b>849.24</b>                        |
| 2 Current liabilities                                     |          |                                      |                                      |
| a) Financial liabilities:                                 |          |                                      |                                      |
| i) Borrowings                                             | 11B      | 5,491.57                             | 5,990.57                             |
| ii) Trade payables                                        | 15       | -                                    | -                                    |
| - dues to Micro and small enterprises                     |          | 16.62                                | 10.30                                |
| -dues to Creditors other than Micro and small enterprises |          | 19.86                                | 20.91                                |
| iii) Other financial liabilities                          | 12B      | -                                    | -                                    |
|                                                           |          | <b>5,528.05</b>                      | <b>6,021.78</b>                      |
| b) Provisions                                             | 13B      | 13.30                                | 11.39                                |
| c) Other current liabilities                              | 14       | 9.68                                 | 49.81                                |
| <b>Total current liabilities</b>                          |          | <b>5,551.03</b>                      | <b>6,082.98</b>                      |
| <b>Total Liabilities</b>                                  |          | <b>6,455.98</b>                      | <b>6,932.23</b>                      |
| <b>Total Equity and Liabilities</b>                       |          | <b>8,161.66</b>                      | <b>8,567.63</b>                      |

See accompanying notes forming part of the financial statements

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

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipin Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

Annual Report 2024-25

**Rakesh M. Nanwani**

Company Secretary

Membership No. A45718

Place: Mumbai

Date: May 23, 2025

**Gautam V.Kumtakar**

Whole-time Director

(DIN: 09791999)



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

| Particulars |                                                         | Note No. | Year Ended<br>March 31, 2025<br>(₹ in Lakhs) | Year ended<br>March 31, 2024<br>(₹ in Lakhs) |
|-------------|---------------------------------------------------------|----------|----------------------------------------------|----------------------------------------------|
| I           | Revenue from operations                                 | 16       | 1,161.85                                     | 685.58                                       |
| II          | Other income                                            | 17       | 16.24                                        | 1.27                                         |
| III         | <b>Total Income</b>                                     |          | <b>1,178.09</b>                              | <b>686.85</b>                                |
| IV          | <b>Expenses</b>                                         |          |                                              |                                              |
|             | Employee benefits expense                               | 18       | 84.29                                        | 78.23                                        |
|             | Finance costs                                           | 19       | 387.58                                       | 477.21                                       |
|             | Depreciation and amortisation expense                   | 20       | 356.01                                       | 356.83                                       |
|             | Other expenses                                          | 21       | 279.35                                       | 210.64                                       |
|             | <b>Total expenses</b>                                   |          | <b>1,107.23</b>                              | <b>1,122.90</b>                              |
| V           | <b>Profit / (Loss) before exceptional items and tax</b> |          | <b>70.86</b>                                 | <b>(436.05)</b>                              |
| VI          | Exceptional items                                       |          | -                                            | -                                            |
| VII         | <b>Profit / (loss) before tax</b>                       |          | <b>70.86</b>                                 | <b>(436.05)</b>                              |
| VIII        | <b>Tax expense:</b>                                     |          |                                              |                                              |
|             | Current tax                                             |          | -                                            | -                                            |
|             | Deferred tax                                            |          | -                                            | -                                            |
|             |                                                         |          | -                                            | -                                            |
| IX          | <b>Profit /(loss) for the year</b>                      |          | <b>70.86</b>                                 | <b>(436.05)</b>                              |
| X           | <b>Other Comprehensive Income</b>                       |          |                                              |                                              |
|             | Items that will not be reclassified to profit or loss   |          |                                              |                                              |
|             | Remeasurement of the defined benefit plans              | 22       | (0.59)                                       | (0.13)                                       |
|             | Other Comprehensive Income, net of tax                  |          | <b>(0.59)</b>                                | <b>(0.13)</b>                                |
| XI          | <b>Total Comprehensive Income / (loss) for the year</b> |          | <b>70.27</b>                                 | <b>(436.18)</b>                              |
| XII         | <b>Earning per equity share</b>                         | 23       |                                              |                                              |
|             | Basic and diluted earnings per equity share             |          | ₹ 0.14                                       | ₹ (0.89)                                     |

See accompanying notes forming part of the financial statements

1 to 35

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**  
Chartered Accountants  
Firm Reg No. 101048W

**Vipan Kumar Sharma**  
Chief Financial Officer

**Vinod Bhandawat**  
Chairman  
(DIN: 02873571)

**N. S. Gaur**  
Partner  
Membership No. 137138  
Place: Mumbai  
Date: May 23, 2025

**Rakesh M. Nanwani**  
Company Secretary  
Membership No. A45718  
Place: Mumbai  
Date: May 23, 2025

**Gautam V.Kumtakar**  
Whole-time Director  
(DIN: 09791999)



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2025**

| <b>PARTICULARS</b>                                                            | <b>Year ended<br/>March 31, 2025<br/>(₹ in Lakhs)</b> | <b>Year ended<br/>March 31, 2024<br/>(₹ in Lakhs)</b> |
|-------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>                                |                                                       |                                                       |
| Profit \ (Loss) before tax for the year                                       | 70.86                                                 | (436.05)                                              |
| Adjustments for:                                                              |                                                       |                                                       |
| Depreciation expenses                                                         | 356.01                                                | 356.83                                                |
| Finance Cost                                                                  | 387.58                                                | 477.21                                                |
| Balances written off / (back)                                                 | (3.08)                                                | (0.85)                                                |
| Investment cancelled                                                          | 0.26                                                  | -                                                     |
| Interest Income                                                               | (4.66)                                                | (0.42)                                                |
| Remeasurement of the defined benefit plans                                    | (0.59)                                                | -                                                     |
| <b>Cash Generated from operations before working capital changes</b>          | <b>806.38</b>                                         | <b>396.71</b>                                         |
| Adjustments for:                                                              |                                                       |                                                       |
| (Increase)/decrease in trade receivables                                      | 48.63                                                 | (172.19)                                              |
| (Increase)/decrease in inventories                                            | 4.80                                                  | 1.87                                                  |
| (Increase)/decrease in Other Assets                                           | (3.00)                                                | (29.81)                                               |
| Increase/(decrease) in trade payables                                         | 9.40                                                  | (2.29)                                                |
| Increase / (Decrease) in Provision                                            | 2.48                                                  | 1.41                                                  |
| Increase / (Decrease) in other Financial Liabilities                          | (1.05)                                                | 3.19                                                  |
| Increase / (Decrease) in other Liabilities                                    | (40.13)                                               | (7.70)                                                |
| <b>Cash generated from operations</b>                                         | <b>827.51</b>                                         | <b>191.20</b>                                         |
| Taxes paid (net of refunds)                                                   | (0.52)                                                | (0.55)                                                |
| <b>Net cash generated from operating activities - [A]</b>                     | <b>827.00</b>                                         | <b>190.65</b>                                         |
| <b>B. Cash Flow from Investing Activities :</b>                               |                                                       |                                                       |
| Purchase of tangible assets (including CWIP)                                  | (0.38)                                                | (7.97)                                                |
| Interest received                                                             | 4.66                                                  | 0.42                                                  |
| <b>Net cash flow from/ (used in) investing activities - [B]</b>               | <b>4.28</b>                                           | <b>(7.55)</b>                                         |
| <b>C. Cash Flow from Financing Activities :</b>                               |                                                       |                                                       |
| Finance Cost Paid                                                             | (7.61)                                                | (47.80)                                               |
| Repayment of Borrowings (including current maturities)                        | (823.83)                                              | (135.00)                                              |
| Proceeds from Borrowings                                                      | -                                                     | -                                                     |
| <b>Net cash flow from/ (used in) financing activities - [C]</b>               | <b>(831.44)</b>                                       | <b>(182.80)</b>                                       |
| <b>Net increase/ (decrease) in cash and cash equivalents [D]= [A]+[B]+[C]</b> | <b>(0.17)</b>                                         | <b>0.29</b>                                           |
| Cash and cash equivalents as at beginning - [E]                               | 1.71                                                  | 1.42                                                  |
| <b>Cash and cash equivalents as at closing [D]+[E]</b>                        | <b>1.54</b>                                           | <b>1.71</b>                                           |



| <b>PARTICULARS</b>                                | <b>Year ended<br/>March 31, 2025<br/>(₹ in Lakhs)</b> | <b>Year ended<br/>March 31, 2024<br/>(₹ in Lakhs)</b> |
|---------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| <b>D. COMPONENTS OF CASH AND CASH EQUIVALENTS</b> |                                                       |                                                       |
| Cash on Hand                                      | 0.09                                                  | 0.06                                                  |
| <b>Balances with banks:</b>                       |                                                       |                                                       |
| - In current accounts                             | 1.45                                                  | 1.65                                                  |
|                                                   | <b>1.54</b>                                           | <b>1.71</b>                                           |

**Notes:**

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

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants  
Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman  
(DIN: 02873571)

**N. S. Gaur**

Partner  
Membership No. 137138  
Place: Mumbai  
Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary  
Membership No. A45718  
Place: Mumbai  
Date: May 23, 2025

**Gautam V.Kumtakar**

Whole-time Director  
(DIN: 09791999)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025****A. Equity share Capital**

Current reporting period

(' in Lakhs)

| Balance as at April 01, 2024 | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance as at March 31, 2025 |
|------------------------------|------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------|------------------------------|
| 4,900.00                     | -                                                          | 4,900.00                                                  | -                                               | 4,900.00                     |

Previous reporting period

(₹ in Lakhs)

| Balance as at April 01, 2023 | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance as at March 31, 2024 |
|------------------------------|------------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------|------------------------------|
| 4,900.00                     | -                                                          | 4,900.00                                                  | -                                               | 4,900.00                     |

**B. Instruments entirely equity in nature**

Current reporting period

(' in Lakhs)

| Balance as at April 01, 2024 | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the reporting period | Changes in instruments during the year | Balance as at March 31, 2025 |
|------------------------------|------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------|------------------------------|
| 80.00                        | -                                                          | 80.00                                                     | -                                      | 80.00                        |

Previous reporting period

(₹ in Lakhs)

| Balance as at April 01, 2023 | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the reporting period | Changes in instruments during the year | Balance as at March 31, 2024 |
|------------------------------|------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------|------------------------------|
| 80.00                        | -                                                          | 80.00                                                     | -                                      | 80.00                        |

**C. Other Equity**

Current reporting period

(₹ in Lakhs)

| Particulars                                                | Reserves and surplus (₹ In Lakhs) |                                                            |
|------------------------------------------------------------|-----------------------------------|------------------------------------------------------------|
|                                                            | Retained earnings                 | Total Equity attributable to equity holders of the Company |
| Balance as at April 1, 2024                                | (3,344.60)                        | (3,344.60)                                                 |
| Profit for the year                                        | 70.86                             | 70.86                                                      |
| Other comprehensive income for the year, net of income tax | (0.59)                            | (0.59)                                                     |
| Total comprehensive income for the year                    | 70.27                             | 70.27                                                      |
| Balance as at March 31, 2025                               | (3,274.33)                        | (3,274.33)                                                 |



| Particulars                                                | Reserves and surplus<br>(₹ In Lakhs) |                                                                     |
|------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------|
|                                                            | Retained earnings                    | Total Equity<br>attributable to<br>equity holders of the<br>Company |
| <b>Balance as at April 1, 2023</b>                         | <b>(2,908.42)</b>                    | <b>(2,908.42)</b>                                                   |
| Profit / (Loss) for the year                               | (436.05)                             | (436.05)                                                            |
| Other comprehensive income for the year, net of income tax | (0.13)                               | (0.13)                                                              |
| <b>Total comprehensive income for the year</b>             | <b>(436.18)</b>                      | <b>(436.18)</b>                                                     |
| <b>Balance as at March 31, 2024</b>                        | <b>(3,344.60)</b>                    | <b>(3,344.60)</b>                                                   |

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**  
Chartered Accountants  
Firm Reg No. 101048W

**Vipan Kumar Sharma**  
Chief Financial Officer

**Vinod Bhandawat**  
Chairman  
(DIN: 02873571)

**N. S. Gaur**  
Partner  
Membership No. 137138  
Place: Mumbai  
Date: May 23, 2025

**Rakesh M. Nanwani**  
Company Secretary  
Membership No. A45718  
Place: Mumbai  
Date: May 23, 2025

**Gautam V.Kumtakar**  
Whole-time Director  
(DIN: 09791999)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....****1 Corporate Information**

Gokak Power and Energy Limited ('the Company') is public company incorporated on January 17, 2012 under the provisions of erstwhile Companies Act, 1956. The Company is in the business of generation of hydro power. The Company has 10.80 MW of Hydro power plant. Its registered office at #1, 2<sup>nd</sup> Floor, 12<sup>th</sup> Cross Ideal Homes, Near Jayanna Circle, Rajarajeshwari Nagar, Bangalore KA 560098 .

**2 Basis of preparation****(a) Statement of Compliance**

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

Details of the Company's accounting policies are included in Note 2.1

**(b) Functional and presentation currency**

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

**(c) Basis of measurement**

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

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

**(d) Use of Estimates :**

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

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

**Assumptions and estimations of uncertainties**

Information about assumptions and estimations of uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2025 is included in the following notes:

Note 2.1(g) - recognition of deferred tax assets

Note 25 - measurement of defined benefit obligations: key actuarial assumptions;

Note 2.1(b) - useful life of property, plant and equipment

**(e) Measurement of fair values**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

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

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

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

### 2.1 Material Accounting Policies

#### (a) Property, plant and equipment:

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

#### (b) Depreciation /Amortisation:

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

| Sr. No. | Particulars             | Useful Life In years |
|---------|-------------------------|----------------------|
| 1       | Building and Structures | 30                   |
| 2       | Plant and Machinery     | 40                   |
| 3       | Furniture and Fixture   | 10                   |
| 4       | Office Equipments       | 5                    |

#### (c) Borrowing cost :

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

#### (d) Financial instruments

##### i. Recognition and initial measurement

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

##### ii. Classification and subsequent measurement

##### Financial assets

Financial assets carried at amortised cost:

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....****Financial assets at fair value through other comprehensive income:**

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

**Financial assets at fair value through profit or loss:**

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

**Financial liabilities and equity****Classification as debt or equity**

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

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at fair value through profit or loss (FVTPL).

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

**Equity**

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

**iii. De-recognition****Financial assets**

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

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

**Financial liabilities**

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

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### iv. Off setting

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

### (e) Revenue recognition :

Revenue from Generation, Transmission and Distribution of power is recognised net of cash discounts, for each unit of electricity delivered at the contracted rate.

Revenue from renewable energy certificates is recognised on accrual basis.

### (f) Provisions and Contingent Liability

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

### (g) Income tax

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

#### i. Current tax

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

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

#### Deferred tax is not recognised for:

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

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

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

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



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....**

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

**(h) Earnings per Share**

The Company reports basic and diluted earnings per equity share in accordance with Ind AS 33, on Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

**(i) Impairment****(i) Financial assets**

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

**(ii) Non-financial assets**

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

**(j) Inventories :**

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

**(k) Employee Benefits :****Short - term obligations**

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

**Other long term Employee benefit obligation**

Long-term compensated absence of permanent employees is provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss. Compensated absences of badli workers are provided on accrual basis.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### **Defined Contribution Plans:**

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

### **Defined Benefit Plan**

Retirements benefits in the form of Gratuity for eligible employees is considered as defined benefit obligations and are provided on the basis of actuarial valuation, using the projected unit credit method. Gratuity of badli workers is determined on accrual basis based on the proportionate time of services rendered. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

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

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

### **(m) Cash flow statement**

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

### **(n) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company. Additionally there were no new accounting standards notified which are applicable for subsequent reporting periods.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 3. Property, plant and equipment

(₹ in lakhs)

| Particulars                       | Building and structures | Plant and machinery | Furniture, Fixtures and Office Equipments | Vehicles | Total     |
|-----------------------------------|-------------------------|---------------------|-------------------------------------------|----------|-----------|
| <b>Gross Block :</b>              |                         |                     |                                           |          |           |
| <b>Cost or Deemed cost</b>        |                         |                     |                                           |          |           |
| Balance at March 31, 2023         | 6,777.64                | 4,646.17            | 1.31                                      | 9.08     | 11,434.19 |
| Additions                         | -                       | -                   | 2.55                                      | -        | 2.55      |
| Disposal                          | -                       | -                   | -                                         | -        | -         |
| Balance at March 31, 2024         | 6,777.64                | 4,646.17            | 3.85                                      | 9.08     | 11,436.74 |
| Additions                         | -                       | 5.79                | -                                         | -        | 5.79      |
| Disposal                          | -                       | -                   | -                                         | -        | -         |
| Balance at March 31, 2025         | 6,777.64                | 4,651.96            | 3.85                                      | 9.08     | 11,442.53 |
| <b>Accumulated depreciation :</b> |                         |                     |                                           |          |           |
| Balance at March 31, 2023         | 1,783.91                | 890.02              | 1.01                                      | 2.04     | 2,676.99  |
| Eliminated on disposals of assets | -                       | -                   | -                                         | -        | -         |
| Depreciation expense              | 237.22                  | 118.16              | 0.38                                      | 1.07     | 356.83    |
| Balance at March 31, 2024         | 2,021.14                | 1,008.18            | 1.39                                      | 3.10     | 3,033.81  |
| Eliminated on disposals of assets | -                       | -                   | -                                         | -        | -         |
| Depreciation expense              | 236.57                  | 117.91              | 0.46                                      | 1.06     | 356.01    |
| Balance at March 31, 2025         | 2,257.71                | 1,126.10            | 1.84                                      | 4.16     | 3,389.82  |
| <b>Net Carrying Value :</b>       |                         |                     |                                           |          |           |
| Balance at March 31, 2023         | 4,993.72                | 3,756.14            | 0.30                                      | 7.04     | 8,757.20  |
| Balance at March 31, 2024         | 4,756.50                | 3,637.98            | 2.47                                      | 5.98     | 8,402.93  |
| Balance at March 31, 2025         | 4,519.93                | 3,525.86            | 2.01                                      | 4.91     | 8,052.71  |

## 3A. Capital Work-in-Progress:

## Ageing Schedule for Projects in progress and Projects temporarily suspended :

(₹ in lakhs )

| Particulars                    | Amount of CWIP as at March 31, 2025 |             |             |                    | Total |
|--------------------------------|-------------------------------------|-------------|-------------|--------------------|-------|
|                                | Less than 01 year                   | 01-02 years | 02-03 years | More than 03 years |       |
| Projects in Progress           | -                                   | -           | -           | -                  | -     |
| Projects Temporarily Suspended | -                                   | -           | -           | -                  | -     |

| Particulars                    | Amount of CWIP as at March 31, 2024 |             |             |                    | Total |
|--------------------------------|-------------------------------------|-------------|-------------|--------------------|-------|
|                                | Less than 01 year                   | 01-02 years | 02-03 years | More than 03 years |       |
| Projects in Progress           | 5.41                                | -           | -           | -                  | 5.41  |
| Projects Temporarily Suspended | -                                   | -           | -           | -                  | -     |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 4. Non Current Investments

#### Break-up of investments

(₹ in lakhs)

| Particulars                                                                                                             | As at March 31, 2025 |        | As at March 31, 2024 |             |
|-------------------------------------------------------------------------------------------------------------------------|----------------------|--------|----------------------|-------------|
|                                                                                                                         | Qty                  | Amount | Qty                  | Amount      |
| <b>Unquoted Investments at FVTPL</b>                                                                                    |                      |        |                      |             |
| <b>Equity Instruments</b>                                                                                               |                      |        |                      |             |
| 1. In unquoted 2600 equity shares of ₹ 10 each fully paid up of Suryodaya One Energy Private Limited (Refer Note below) | -                    | -      | 2,600                | 0.26        |
| <b>Total</b>                                                                                                            | -                    | -      | <b>2,600</b>         | <b>0.26</b> |

**Note:** Suryoday One Energy Private Limited has merged into Gokak Textiles Limited with effect from April 01, 2022 based on the order of National Company Law Tribunal (NCLT) dated April 24, 2024. Section 19 of Companies Act, 2013, restricts Subsidiary Company from holding shares in its Holding Company, in compliance with section 19 of the Companies Act, 2013, preference shares will not be allotted to the Company hence these equity shares have been forfeited.

### 5. Trade receivables

(₹ in lakhs)

| Particulars                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| <b>Unsecured, considered good:</b>   |                         |                         |
| a) Related Parties - Holding Company | 12.24                   | 47.04                   |
| b) Others                            | 16.35                   | 30.18                   |
| Less: Expected credit loss allowance | -                       | -                       |
| <b>Total</b>                         | <b>28.59</b>            | <b>77.22</b>            |

#### 5.1. Trade receivables

The average credit period on sales is 60 days. The Company has a policy for recognition of expected credit loss at 100% against all receivables over 365 days.

#### 5.2. Ageing Schedule :

| As on March 31, 2025                                                               | Outstanding for following periods from due date of payments |                       |                      |              |              |                      | Total<br>Outstanding |
|------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------|----------------------|--------------|--------------|----------------------|----------------------|
|                                                                                    | Not Due                                                     | Less than<br>6 months | 6 Months<br>- 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years |                      |
| (i) Undisputed Trade receivables – considered good                                 | 2.03                                                        | 24.43                 | 2.13                 | -            | -            | -                    | 28.59                |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| (iv) Disputed Trade Receivables – considered good                                  | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                                                           | -                     | -                    | -            | -            | -                    | -                    |
| <b>Total</b>                                                                       | <b>2.03</b>                                                 | <b>24.43</b>          | <b>2.13</b>          | <b>-</b>     | <b>-</b>     | <b>-</b>             | <b>28.59</b>         |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

| As on 31 <sup>st</sup> March 2024                                                  | Outstanding for following periods from due date of payments |                    |                   |           |           |                   | Total Outstanding |
|------------------------------------------------------------------------------------|-------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|-------------------|
| Particulars                                                                        | Not Due                                                     | Less than 6 months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years |                   |
| (i) Undisputed Trade receivables – considered good                                 | 2.74                                                        | 74.48              | -                 | -         | -         | -                 | 77.22             |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                                                           | -                  | -                 | -         | -         | -                 | -                 |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                                                           | -                  | -                 | -         | -         | -                 | -                 |
| (iv) Disputed Trade Receivables– considered good                                   | -                                                           | -                  | -                 | -         | -         | -                 | -                 |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                                                           | -                  | -                 | -         | -         | -                 | -                 |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                                                           | -                  | -                 | -         | -         | -                 | -                 |
| <b>Total</b>                                                                       | <b>2.74</b>                                                 | <b>74.48</b>       | <b>-</b>          | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>77.22</b>      |

## 6. Inventories

(₹ in lakhs)

| Particulars                                                               | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------------------------------------------|----------------------|----------------------|
| a) Inventories (lower of cost and net realisable value) Stores and spares | 3.45                 | 8.25                 |
| <b>Total</b>                                                              | <b>3.45</b>          | <b>8.25</b>          |

## 7. Cash and Bank Balances

| Particulars                          | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|----------------------|----------------------|
| <b>7A. Cash and cash equivalents</b> |                      |                      |
| <b>Balances with Banks</b>           |                      |                      |
| a) In current accounts               | 1.45                 | 1.65                 |
| b) Cheques, drafts on hand           | -                    | -                    |
| Cash on hand                         | 0.09                 | 0.06                 |
| <b>Total</b>                         | <b>1.54</b>          | <b>1.71</b>          |

| Particulars                                                                                 | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>7B. Other Bank balances</b>                                                              |                      |                      |
| a) In deposit accounts with original maturity of more than 3 months but less than 12 months | -                    | -                    |
| <b>Total</b>                                                                                | <b>-</b>             | <b>-</b>             |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 8. Other assets

(₹ in lakhs)

| Particulars            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------|-------------------------|-------------------------|
| <b>8A. Non Current</b> |                         |                         |
| Capital Advance        | 39.60                   | 39.60                   |
| Prepaid expenses       | -                       | 0.34                    |
| <b>Total</b>           | <b>39.60</b>            | <b>39.94</b>            |

(₹ in lakhs)

| Particulars                                           | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>8B. Current</b>                                    |                         |                         |
| a) Advances for supply of goods and services (others) | 4.80                    | 11.23                   |
| b) Security Deposits                                  | 0.22                    | 0.22                    |
| c) Prepaid expenses                                   | 18.57                   | 8.09                    |
| d) Medical advance/staff advance                      | -                       | 0.03                    |
| e) Prepaid contribution to employee benefit plan      | 4.06                    | 4.86                    |
| f) Claim receivable                                   | 0.14                    | -                       |
| <b>Total</b>                                          | <b>27.78</b>            | <b>24.44</b>            |

### 9. Equity Share Capital

(₹ in lakhs)

| Particulars                                          | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Authorised Share capital :</b>                    |                         |                         |
| 5,00,00,000 fully paid equity shares of ₹ 10 each    | 5,000.00                | 5,000.00                |
| <b>Issued, subscribed and paid-up share capital:</b> |                         |                         |
| 4,90,00,000 fully paid equity shares of ₹ 10 each    | 4,900.00                | 4,900.00                |
| <b>Total</b>                                         | <b>4,900.00</b>         | <b>4,900.00</b>         |

#### 9.1. Fully paid equity shares

(₹ in lakhs)

| Particulars                         | Number of<br>shares | Share capital<br>(₹ in Lakhs) |
|-------------------------------------|---------------------|-------------------------------|
| <b>Balance as at April 01, 2023</b> | <b>4,90,00,000</b>  | <b>4,900.00</b>               |
| Movements                           | -                   | -                             |
| <b>Balance as at March 31, 2024</b> | <b>4,90,00,000</b>  | <b>4,900.00</b>               |
| Movements                           | -                   | -                             |
| <b>Balance as at March 31, 2025</b> | <b>4,90,00,000</b>  | <b>4,900.00</b>               |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....****Rights, preferences and restrictions attached to equity shares**

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

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

**9.2. Details of shares held by the holding company, its subsidiaries and associates**

(₹ in lakhs)

| Particulars                                     | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------------------------------|-------------------------|-------------------------|
| <b>Balance at the beginning of the period :</b> |                         |                         |
| Gokak Textile Limited - Holding Company (51%)   | 2,49,90,000             | 2,49,90,000             |
| <b>Total</b>                                    | <b>2,49,90,000</b>      | <b>2,49,90,000</b>      |

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

| Particulars                                                          | As at March 31, 2025     |                                     | As at March 31, 2024     |                                     |
|----------------------------------------------------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
|                                                                      | Number of<br>shares held | % holding in the<br>class of shares | Number of<br>shares held | % holding in the<br>class of shares |
| Fully paid equity shares                                             |                          |                                     |                          |                                     |
| Shapoorji Pallonji Infrastructure Capital<br>Company Private limited | 2,40,10,000              | 49%                                 | 2,40,10,000              | 49%                                 |
| Gokak Textile Limited - Holding Company                              | 2,49,90,000              | 51%                                 | 2,49,90,000              | 51%                                 |
| <b>Total</b>                                                         | <b>4,90,00,000</b>       | <b>100%</b>                         | <b>4,90,00,000</b>       | <b>100%</b>                         |

**9.4 Details of shares held by Promoters :**

| Particulars                                                          | As at March 31, 2025     |                                     | As at March 31, 2024     |                                     |
|----------------------------------------------------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
|                                                                      | Number of<br>shares held | % holding in the<br>class of shares | Number of<br>shares held | % holding in the<br>class of shares |
| Fully paid equity shares                                             |                          |                                     |                          |                                     |
| Shapoorji Pallonji Infrastructure Capital<br>Company Private limited | 2,40,10,000              | 49%                                 | 2,40,10,000              | 49%                                 |
| Gokak Textile Limited - Holding Company                              | 2,49,90,000              | 51%                                 | 2,49,90,000              | 51%                                 |
| <b>Total</b>                                                         | <b>4,90,00,000</b>       | <b>100%</b>                         | <b>4,90,00,000</b>       | <b>100%</b>                         |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 10A. Instruments entirely equity in nature

(₹ in lakhs)

| Particulars                              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------|-------------------------|-------------------------|
| <b>Perpetual Loans</b>                   |                         |                         |
| From Evangelous Ventures Private Limited | 80.00                   | 80.00                   |
|                                          | <b>80.00</b>            | <b>80.00</b>            |

- (a) On October 25, 2022, the Company had received perpetual loan from Evangelos Ventures Private Limited. As per the agreed terms and conditions, the said loan has no maturity or defined tenure and repayment of any amount in part or in full is at sole discretion of the Company. Interest accrual on the Perpetual Loan is non-cumulative and is payable at sole discretion of the Company up to 8.00% per annum for any particular or preceding financial year/s. The said Perpetual Loan shall be subordinate to all other debts and shall be ranked only senior to the equity share capital of the Company. Based on the above terms, the Company does not have any obligation or repayment or distribution (of interest) under the said agreement and repayment or distribution (of interest), if any, is at the sole discretion of the Company. Accordingly, the said Perpetual Loan has been classified as instruments entirely equity in nature.

### 10B Other equity

(₹ in lakhs)

| Particulars                                                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------------------------|-------------------------|-------------------------|
| <b>Surplus/ (Deficit) in retained earnings</b>             |                         |                         |
| Balance at beginning of the year                           | (3,344.60)              | (2,908.42)              |
| Profit / (loss ) during the year                           | 70.86                   | (436.05)                |
| Other comprehensive income for the year, net of income tax | (0.59)                  | (0.13)                  |
| <b>Balance at end of the year</b>                          | <b>(3,274.33)</b>       | <b>(3,344.60)</b>       |

Note: Retained earnings represents net profits after distributions and transfers to other reserves.

### 11. Borrowings

(₹ in lakhs)

| Particulars                                         | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------------------------------|-------------------------|-------------------------|
| <b>11A. Non-current</b>                             |                         |                         |
| <b>Unsecured - at amortised cost</b>                |                         |                         |
| <b>a) Loans from related parties:</b>               |                         |                         |
| - From Other related parties (Refer Note - i below) | 901.72                  | 846.58                  |
| <b>Total</b>                                        | <b>901.72</b>           | <b>846.58</b>           |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Particulars                                    | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|------------------------------------------------|-------------------------|-------------------------|
| <b>11B. Current</b>                            |                         |                         |
| <b>Unsecured - at amortised cost</b>           |                         |                         |
| <b>a) Loans from related parties:</b>          |                         |                         |
| - From Holding Company (Refer Note - ii below) | 5,491.57                | 5,990.57                |
| <b>Total</b>                                   | <b>5,491.57</b>         | <b>5,990.57</b>         |

- (i) The above loan carries interest at the rate of 11.50 % per annum and interest and principal are repayable on or after April 01, 2026 as per mutual agreed terms.
- (ii) During the previous year, the Company had entered into a 'Novation' agreement ('the Agreement') on August 29, 2023 which was effective from April 01, 2023 ('the effective date') in respect of transfer of the Inter-corporate-deposits (ICDs) aggregating to ₹ 6,427.30 lakhs (including interest) outstanding in the books of the Company repayable to the Ultimate Holding Company (i.e. Shapoorji Pallonji & Company Private Limited). According to the said Agreement, the ICD liabilities towards the Ultimate Holding Company has been novated to the Holding Company (i.e. Gokak Textiles Limited) from the effective date on existing terms. The above loan carries interest at the rate of 11.50 % per annum and is repayable on demand.

**12. Other financial liabilities**

(₹ in lakhs)

| Particulars               | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------|-------------------------|-------------------------|
| <b>12A. Non Current</b>   |                         |                         |
| Unsecured considered good |                         |                         |
| Security deposits         | 1.00                    | 1.00                    |
| <b>Total</b>              | <b>1.00</b>             | <b>1.00</b>             |

(₹ in lakhs)

| Particulars                | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|----------------------------|-------------------------|-------------------------|
| <b>12B Current</b>         |                         |                         |
| Salary Payables and Others | 19.86                   | 20.91                   |
| <b>Total</b>               | <b>19.86</b>            | <b>20.91</b>            |

**13. Provisions**

(₹ in lakhs)

| Particulars                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| <b>13A Non current</b>      |                         |                         |
| <b>a) Employee benefits</b> |                         |                         |
| Compensated absences        | 2.23                    | 1.66                    |
| <b>Total</b>                | <b>2.23</b>             | <b>1.66</b>             |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Particulars                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| <b>13B. Current</b>         |                         |                         |
| <b>a) Employee benefits</b> |                         |                         |
| Compensated absences        | 0.04                    | 0.03                    |
| Gratuity (Badli workers)    | 13.26                   | 11.36                   |
| <b>Total</b>                | <b>13.30</b>            | <b>11.39</b>            |

### 14. Deferred tax balances

(₹ in lakhs)

| Particulars              | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| a) Statutory remittances | 9.68                    | 49.81                   |
| <b>Total</b>             | <b>9.68</b>             | <b>49.81</b>            |

### 15. Trade payables

(₹ in lakhs)

| Particulars                           | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---------------------------------------|-------------------------|-------------------------|
| Trade payables                        |                         |                         |
| - dues to Micro and small enterprises | -                       | -                       |
| - dues to Related Parties             | 6.08                    | 5.71                    |
| -dues to other Creditors              | 10.54                   | 4.60                    |
| <b>Total</b>                          | <b>16.62</b>            | <b>10.30</b>            |

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

### 15.2 Trade Payable ageing

(₹ in lakhs)

| As on March 31, 2025   | Outstanding for following periods from due date of payments |                      |             |             |                      | Total        |
|------------------------|-------------------------------------------------------------|----------------------|-------------|-------------|----------------------|--------------|
| Particulars            | Not Due                                                     | Less than 1<br>years | 1-2 years   | 2-3 years   | More than 3<br>years |              |
| MSME                   | -                                                           | -                    | -           | -           | -                    | -            |
| Others                 | 4.61                                                        | 6.30                 | 1.52        | 0.54        | 3.65                 | 16.62        |
| Disputed Dues - Others | -                                                           | -                    | -           | -           | -                    | -            |
| Disputed Dues - MSME   | -                                                           | -                    | -           | -           | -                    | -            |
| <b>Total</b>           | <b>4.61</b>                                                 | <b>6.30</b>          | <b>1.52</b> | <b>0.54</b> | <b>3.65</b>          | <b>16.62</b> |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| As on March 31, 2024   | Outstanding for following periods from due date of payments |                   |             |             |                   | Total        |
|------------------------|-------------------------------------------------------------|-------------------|-------------|-------------|-------------------|--------------|
| Particulars            | Not Due                                                     | Less than 1 years | 1-2 years   | 2-3 years   | More than 3 years |              |
| MSME                   | -                                                           | -                 | -           | -           | -                 | -            |
| Others                 | 3.98                                                        | 1.01              | 0.95        | 0.45        | 3.91              | 10.30        |
| Disputed Dues - Others | -                                                           | -                 | -           | -           | -                 | -            |
| Disputed Dues - MSME   | -                                                           | -                 | -           | -           | -                 | -            |
| <b>Total</b>           | <b>3.98</b>                                                 | <b>1.01</b>       | <b>0.95</b> | <b>0.45</b> | <b>3.91</b>       | <b>10.30</b> |

## 16. Revenue from operations

(₹ in lakhs)

| Particulars                                  | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|----------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Revenue from Contracts with customers</b> |                                   |                                   |
| a) Income from Sale of Power                 | 1,138.09                          | 660.68                            |
|                                              | <b>1,138.09</b>                   | <b>660.68</b>                     |
| <b>b) Other operating revenues</b>           |                                   |                                   |
| i) Sale of Renewable Energy Certificates     | 22.20                             | 23.60                             |
| ii) Scrap Sales                              | 1.56                              | 1.30                              |
| <b>Total (b)</b>                             | <b>23.76</b>                      | <b>24.90</b>                      |
| <b>Total (a+b)</b>                           | <b>1,161.85</b>                   | <b>685.58</b>                     |

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

## 17. Other Income

(₹ in lakhs)

| Particulars                                     | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>a) Interest Income</b>                       |                                   |                                   |
| Interest on Income tax                          | -                                 | 0.42                              |
| Interest on delayed collections                 | 4.66                              | -                                 |
| <b>b) Other Non-Operating Income</b>            |                                   |                                   |
| Credit balances / excess provision written back | 3.08                              | 0.85                              |
| Others                                          | 8.50                              | -                                 |
| <b>Total</b>                                    | <b>16.24</b>                      | <b>1.27</b>                       |

## 18. Employee benefits expense

(₹ in lakhs)

| Particulars                                   | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-----------------------------------------------|-----------------------------------|-----------------------------------|
| i) Salaries and Wages                         | 73.87                             | 66.65                             |
| ii) Contribution to provident and other funds | 7.74                              | 9.27                              |
| iii) Staff Welfare Expenses                   | 2.68                              | 2.31                              |
| <b>Total</b>                                  | <b>84.29</b>                      | <b>78.23</b>                      |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 19. Finance costs

(₹ in lakhs)

| Particulars                                       | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Interest costs measured at amortised costs</b> |                                      |                                      |
| Interest on Security Deposits                     | 0.12                                 | 0.12                                 |
| Other Interest                                    | 0.01                                 | 0.01                                 |
| Interest on Inter Corporate Deposits              | 387.46                               | 477.08                               |
| <b>Total</b>                                      | <b>387.58</b>                        | <b>477.21</b>                        |

### 20. Depreciation and Amortisation expenses

(₹ in lakhs)

| Particulars                                      | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| i) Depreciation on property, plant and equipment | 356.01                               | 356.83                               |
| <b>Total</b>                                     | <b>356.01</b>                        | <b>356.83</b>                        |

### 21. Other expenses

(₹ in lakhs)

| Particulars                              | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|------------------------------------------|--------------------------------------|--------------------------------------|
| i) Consumption of stores and spare parts | 25.67                                | 28.90                                |
| ii) Power and fuel                       | 0.91                                 | 1.05                                 |
| iii) Freight and Handling                | 9.72                                 | 6.47                                 |
| iv) Directors Sitting fees               | 6.43                                 | 6.52                                 |
| v) Repairs to :                          |                                      |                                      |
| a) Buildings                             | 1.37                                 | 0.46                                 |
| b) Plant and machinery                   | 41.30                                | 42.33                                |
| c) Others                                | 9.06                                 | 8.30                                 |
| vi) Insurance                            | 24.97                                | 25.66                                |
| vii) Rates and taxes                     | 1.31                                 | 4.67                                 |
| viii) Open Access and IEX Charges        | 93.65                                | 48.92                                |
| ix) Legal and professional charges       | 14.34                                | 12.03                                |
| x) Travelling and conveyance             | 0.59                                 | 1.92                                 |
| xi) Calibration and Testing Charges      | -                                    | 0.12                                 |
| xii) Water Royalty Charges               | 44.86                                | 21.12                                |
| xiii) Miscellaneous expenses             | 1.93                                 | 0.27                                 |
| <b>Total</b>                             | <b>276.13</b>                        | <b>208.74</b>                        |
| xiv) To Statutory auditors               |                                      |                                      |
| a) For audit fee                         | 2.47                                 | 1.90                                 |
| b) For tax audit fee                     | 0.75                                 | -                                    |
| <b>Total (B)</b>                         | <b>3.22</b>                          | <b>1.90</b>                          |
| <b>Total (A+B)</b>                       | <b>279.35</b>                        | <b>210.64</b>                        |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 22. Other comprehensive income

(₹ in lakhs)

| Particulars                                  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Re-measurement of defined benefit obligation | (0.59)                               | (0.13)                               |
| <b>Total</b>                                 | <b>(0.59)</b>                        | <b>(0.13)</b>                        |

## 23. Earnings per share

| Particulars                          | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--------------------------------------|--------------------------------------|--------------------------------------|
|                                      | ₹ per share                          | ₹ per share                          |
| From Continuing operations           |                                      |                                      |
| Basic and Diluted earnings per share | 0.14                                 | (0.89)                               |

**Basic & Diluted Earnings per share**

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

(₹ in lakhs)

| Particulars                                                                                                   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit / (Loss) for the year attributable to owners of the Company (A)                                        | 70.86                                | (436.05)                             |
| Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in Lakhs) (B) | 490.00                               | 490.00                               |
| <b>Basic and Diluted Earnings per share (A/B)</b>                                                             | <b>0.14</b>                          | <b>(0.89)</b>                        |

## 24. Deferred tax assets (net)

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

(₹ in lakhs)

| Particulars                                  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Deferred tax assets                          | 1,381.27                             | 1,388.51                             |
| Deferred tax liabilities                     | (1,381.27)                           | (1,388.51)                           |
| <b>Net Deferred tax assets/(liabilities)</b> | <b>-</b>                             | <b>-</b>                             |

The Company has restricted the recognition of deferred tax assets on account of unabsorbed depreciation and brought forward business loss and certain other assets to set off the deferred tax liabilities arising on account of temporary difference arising on Property, Plant and Equipment and other assets. The Company did not have any deferred tax liability as on March 31, 2025, accordingly, the Company has not recognised any deferred tax assets. Unabsorbed depreciation and brought forward business losses on which deferred tax assets have not been recognised (in the absence of virtual certainty of taxable income) were ₹ 7,220.17 lakhs as on March 31, 2025 (Previous year: ₹ 7,093.97 lakhs).



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### Current Year (2024-25)

(₹ in lakhs)

| Particulars                                              | Opening balance | Recognised in profit or loss | Closing balance |
|----------------------------------------------------------|-----------------|------------------------------|-----------------|
| <b>Deferred tax (liabilities)/assets in relation to:</b> |                 |                              |                 |
| a) Property, plant and equipment                         | (1,388.51)      | 7.24                         | (1,381.27)      |
| b) Provision for Bonus                                   | 1.47            | 0.31                         | 1.78            |
| c) Defined benefit obligation                            | 3.28            | 0.63                         | 3.91            |
| d) Others - Unabsorbed Depreciation and losses           | 1,383.75        | (8.17)                       | 1,375.58        |
| <b>Net Deferred tax assets/(liabilities)</b>             | -               | -                            | -               |

### Previous Year (2023-24)

(₹ in lakhs)

| Particulars                                              | Opening balance | Recognised in profit or loss | Closing balance |
|----------------------------------------------------------|-----------------|------------------------------|-----------------|
| <b>Deferred tax (liabilities)/assets in relation to:</b> |                 |                              |                 |
| a) Property, plant and equipment                         | (1,384.53)      | (3.98)                       | (1,388.51)      |
| b) Provision for Bonus                                   | 0.99            | 0.48                         | 1.47            |
| c) Defined benefit obligation                            | 2.90            | 0.39                         | 3.28            |
| d) Others - Unabsorbed Depreciation and losses           | 1,380.64        | 3.11                         | 1,383.75        |
| <b>Net Deferred tax assets/(liabilities)</b>             | -               | -                            | -               |

## 25. Employee benefits obligations :

### Defined-contribution plans:

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

(₹ in lakhs)

| Particulars               | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------|----------------------|----------------------|
| Provident fund            | 6.10                 | 5.56                 |
| Superannuation fund       | -                    | 0.46                 |
| <b>Total contribution</b> | <b>6.10</b>          | <b>6.02</b>          |

### Defined Benefit Plan:

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Particulars                                                                            | Year Ended<br>March 31, 2025                         | Year Ended<br>March 31, 2024                         |
|----------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| <b>Change in Present Value of Obligation</b>                                           |                                                      |                                                      |
| <b>Present value of the obligation at the beginning of the year</b>                    | <b>13.10</b>                                         | <b>11.48</b>                                         |
| Current Service Cost                                                                   | 0.60                                                 | 0.55                                                 |
| Interest Cost                                                                          | 0.94                                                 | 0.86                                                 |
| Actuarial (Gain) / Loss on Obligation due to experience                                | 0.16                                                 | (0.08)                                               |
| Actuarial (Gain) / Loss on Obligation due to change in financial assumptions           | 0.52                                                 | 0.29                                                 |
| Benefits Paid                                                                          | -                                                    | -                                                    |
| <b>Present value of the obligation at the end of the year</b>                          | <b>15.32</b>                                         | <b>13.10</b>                                         |
| <b>Change in Plan Assets</b>                                                           |                                                      |                                                      |
| Fair value of Plan Assets at the beginning of the year                                 | <b>17.96</b>                                         | <b>16.63</b>                                         |
| Interest Income                                                                        | 1.29                                                 | 1.24                                                 |
| Benefits Paid                                                                          | -                                                    | -                                                    |
| Return on plan assets excluding interest income                                        | 0.13                                                 | 0.08                                                 |
| Contributions by Employer                                                              | -                                                    | -                                                    |
| <b>Fair value of Plan Assets at the end of the year</b>                                | <b>19.38</b>                                         | <b>17.96</b>                                         |
| <b>Amounts Recognised in the Balance Sheet</b>                                         |                                                      |                                                      |
| Present value of Obligation at the end of the year                                     | <b>(15.32)</b>                                       | <b>(13.10)</b>                                       |
| Fair value of Plan Assets at the end of the year                                       | 19.38                                                | 17.96                                                |
| <b>Net asset/(liability) at the end of the year</b>                                    | <b>4.06</b>                                          | <b>4.86</b>                                          |
| <b>Amounts Recognised in the Statement of Profit and Loss</b>                          |                                                      |                                                      |
| Current Service Cost                                                                   | <b>0.60</b>                                          | <b>0.55</b>                                          |
| Finance cost / (income)                                                                | (0.35)                                               | (0.39)                                               |
| Past service cost                                                                      | -                                                    | -                                                    |
| <b>Net impact on the loss before tax</b>                                               | <b>0.25</b>                                          | <b>0.17</b>                                          |
| <b>Amounts Recognised in Other Comprehensive Income</b>                                |                                                      |                                                      |
| Actuarial (gains) / losses for the period                                              | <b>0.68</b>                                          | <b>0.21</b>                                          |
| Return on plan asset excluding interest income                                         | (0.13)                                               | (0.08)                                               |
| <b>Net (income) / expenses for the period recognised in other comprehensive income</b> | <b>0.55</b>                                          | <b>0.13</b>                                          |
| <b>Actuarial Assumptions</b>                                                           |                                                      |                                                      |
| i) Discount Rate                                                                       | 6.73%                                                | 7.19%                                                |
| ii) Expected Rate of Return on Plan Assets                                             | 6.73%                                                | 7.19%                                                |
| iii) Salary Escalation Rate                                                            | 4.00%                                                | 4.00%                                                |
| iv) Attrition Rate                                                                     | 1.00%                                                | 1.00%                                                |
| v) Mortality                                                                           | Indian Assured<br>Lives Mortality<br>(2012-14) Urban | Indian Assured<br>Lives Mortality<br>(2012-14) Urban |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| <b>Maturity Analysis of the benefit payments : from the fund</b>             | <b>2024-25</b> | <b>2023-24</b> |
|------------------------------------------------------------------------------|----------------|----------------|
| <b>Projected Benefits payable in future years from the date of reporting</b> |                |                |
| 1 St Following Year                                                          | 0.27           | 0.24           |
| 2 nd Following Year                                                          | 0.30           | 0.26           |
| 3 rd Following Year                                                          | 0.31           | 0.27           |
| 4 th Following Year                                                          | 0.33           | 0.29           |
| 5 th Following Year                                                          | 3.15           | 0.30           |
| Sum of years 6 th to 10 th                                                   | 9.93           | 9.47           |
| Sum of years 11th and above                                                  | 12.27          | 13.85          |

(₹ in lakhs)

| <b>Maturity Analysis of the benefit payments : from the fund</b> | <b>2024-25</b> | <b>2023-24</b> |
|------------------------------------------------------------------|----------------|----------------|
| Projected Benefit obligation On Current Assumptions              | 15.32          | 13.10          |
| Delta effect of +1% Change in rate of Discounting                | (1.09)         | (1.00)         |
| Delta effect of -1% Change in rate of Discounting                | 1.21           | 1.11           |
| Delta effect of +1% Change in rate of Salary increase            | 1.23           | 1.14           |
| Delta effect of -1% Change in rate of Salary increase            | (1.13)         | (1.04)         |
| Delta effect of +1% Change in rate of Employee Turnover          | 0.18           | 0.20           |
| Delta effect of -1% Change in rate of Employee Turnover          | (0.19)         | (0.22)         |

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

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

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

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

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 26. Related Party Disclosures :

## Current Year

## (a) Name of the Related Parties and Description of Relationship:

| Nature of Relationship                       | Name of Entity                                                                                                                                                                                                                         |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Holding Company                              | Gokak Textiles Limited                                                                                                                                                                                                                 |
| Ultimate Holding Company                     | Suryoday One Energy Private Limited                                                                                                                                                                                                    |
| Fellow Subsidiaries                          | Shapoorji Pallonji Infrastructure Capital Company Private Limited<br>Shapoorji Pallonji Energy ( Gujarat) Private Limited                                                                                                              |
| Key Management Personnel and their relatives | Mr.Vinod Bhandawat, Chairman<br>Mr. Pradip N. Kapadia, Director<br>Mr. Nikhil Bhatia, Director<br>Mr. Gautam Kumtakar, Whole Time Director<br>Mr. Vipin Kumar Sharma, Chief Financial Officer<br>Mr. Rakesh Nanwani, Company Secretary |
| Other common control entities                | Gokak Falls Education and Medical Trust                                                                                                                                                                                                |

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

(₹ in lakhs)

| Nature of Transactions |                                             | Holding Company | Ultimate Holding Company | Associate Companies | Fellow Subsidiary | Key Managerial Personnel | Trust | Total    |
|------------------------|---------------------------------------------|-----------------|--------------------------|---------------------|-------------------|--------------------------|-------|----------|
| <b>1</b>               | <b>INCOME</b>                               |                 |                          |                     |                   |                          |       |          |
| (i)                    | Sales (including Electricity Tax)           | 303.52          | -                        | -                   | -                 | -                        | -     | 303.52   |
|                        | Previous Year (including Electricity Tax)   | 341.18          | -                        | -                   | -                 | -                        | -     | 341.18   |
| (ii)                   | Service provided                            | 8.50            | -                        | -                   | -                 | -                        | -     | 8.50     |
|                        | Previous Year                               | -               | -                        | -                   | -                 | -                        | -     | -        |
| <b>2</b>               | <b>EXPENSES</b>                             |                 |                          |                     |                   |                          |       |          |
| (i)                    | Interest Accrued                            | 331.57          | -                        | -                   | 56.01             | -                        | -     | 387.58   |
|                        | Previous Year                               | 421.20          | -                        | -                   | 56.01             | -                        | -     | 477.21   |
| (ii)                   | Services received                           | -               | 0.34                     | -                   | -                 | -                        | -     | 0.34     |
|                        | Previous Year                               | -               | 0.52                     | -                   | -                 | -                        | -     | 0.52     |
| (iii)                  | Director sitting fees                       | -               | -                        | -                   | -                 | 5.55                     | -     | 5.55     |
|                        | Previous Year                               | -               | -                        | -                   | -                 | 5.85                     | -     | 5.85     |
| <b>3</b>               | <b>Reimbursement of Expenditure</b>         | -               | -                        | -                   | -                 | -                        | 0.71  | 0.71     |
|                        | Previous Year                               | -               | -                        | -                   | -                 | -                        | 0.85  | 0.85     |
| <b>4</b>               | <b>Borrowings during the year (novated)</b> | -               | -                        | -                   | -                 | -                        | -     | -        |
|                        | Previous Year                               | 6,427.30        | -                        | -                   | -                 | -                        | -     | 6,427.30 |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

(₹ in lakhs)

| Nature of Transactions |                                                          | Holding Company | Ultimate Holding Company | Associate Companies | Fellow Subsidiary | Key Managerial Personnel | Trust | Total    |
|------------------------|----------------------------------------------------------|-----------------|--------------------------|---------------------|-------------------|--------------------------|-------|----------|
| 5                      | <b>Repayment during the year (novated)</b>               | 823.83          | -                        | -                   | -                 | -                        | -     | 823.83   |
|                        | <i>Previous Year</i>                                     | 815.70          | 6,427.30                 | -                   | -                 | -                        | -     | 7,243.00 |
| 6                      | <b>OUTSTANDING</b>                                       |                 |                          |                     |                   |                          |       |          |
|                        | <b>Receivables</b>                                       | 12.79           | -                        | -                   | -                 | -                        | -     | 12.79    |
|                        | <i>Previous Year</i>                                     | 47.04           | -                        | -                   | -                 | -                        | -     | 47.04    |
|                        | <b>Deposit Payable</b>                                   | 1.00            | -                        | -                   | -                 | -                        | -     | 1.00     |
|                        | <i>Previous Year</i>                                     | 1.00            | -                        | -                   | -                 | -                        | -     | 1.00     |
|                        | <b>Payables ICD</b>                                      | 5,491.57        | -                        | -                   | 981.72            | -                        | -     | 6,473.28 |
|                        | <i>Previous Year</i>                                     | 5,990.57        | -                        | -                   | 926.58            | -                        | -     | 6,917.16 |
|                        | <b>Payables</b>                                          | -               | 6.08                     | -                   | -                 | -                        | 0.05  | 6.13     |
|                        | <i>Previous Year</i>                                     | -               | 5.71                     | -                   | -                 | -                        | 0.05  | 5.76     |
|                        | <b>Investments in Equity Shares of Associate Company</b> | -               | -                        | -                   | -                 | -                        | -     | -        |
|                        | <i>Previous Year</i>                                     | -               | -                        | 0.26                | -                 | -                        | -     | 0.26     |

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

(₹ in lakhs)

| Nature Of Transaction                                                      | Year Ended March 31, 2025 | Year Ended March 31, 2024 |
|----------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Sale of Electricity</b><br>Gokak Textiles limited                       | 303.52                    | 341.18                    |
| <b>Service provided</b><br>Gokak Textiles limited                          | 8.50                      | -                         |
| <b>Services Received</b><br>Shapoorji Pallonji and Company Private Limited | 0.34                      | 0.52                      |
| <b>Interest Expense accrued</b><br>Gokak Textiles limited                  | 331.57                    | 421.20                    |
| Shapoorji Pallonji and Company Private Limited                             | -                         | -                         |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited          | 52.56                     | 52.56                     |
| Shapoorji Pallonji Energy ( Gujarat ) Private Limited                      | 3.45                      | 3.45                      |

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

| Nature Of Transaction                                                   | ( ₹ in lakhs )               |                              |
|-------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                         | Year Ended<br>March 31, 2025 | Year Ended<br>March 31, 2024 |
| <b>Loans / Perpetual Loans Taken</b>                                    |                              |                              |
| Gokak Textiles limited (Novation)                                       | -                            | 6,427.30                     |
| <b>Loan/Perpetual Loans Repaid (including interest)</b>                 |                              |                              |
| Gokak Textiles limited                                                  | 823.83                       | 815.70                       |
| Shapoorji Pallonji and Company Private Limited (Novation)               | -                            | 6,427.30                     |
| Evangelos Venturs Private Limited                                       | -                            | -                            |
| <b>Reimbursement of Expenditure</b>                                     |                              |                              |
| Gokak Falls Education & Medical Trust                                   | 0.71                         | 0.85                         |
| <b>Investments in Equity Shares of Associate Company</b>                |                              |                              |
| Suryoday One Energy Private Limited (Refer Note 4)                      | -                            | 0.26                         |
| <b>Deposit Payable</b>                                                  |                              |                              |
| Gokak Textiles Limited                                                  | 1.00                         | 1.00                         |
| <b>Receivables</b>                                                      |                              |                              |
| Gokak Textiles limited                                                  | 12.79                        | 47.04                        |
| <b>Director Sitting Fees</b>                                            |                              |                              |
| Mr. Pradip N. Kapadia                                                   | 2.10                         | 2.25                         |
| Mr. Nikhil Bhatia                                                       | 2.10                         | 2.25                         |
| Mr.Vinod Bhandawat                                                      | 1.35                         | 1.35                         |
| <b>Payables</b>                                                         |                              |                              |
| Gokak Falls Education & Medical Trust                                   | 0.05                         | 0.05                         |
| Shapoorji Pallonji and Company Private Limited (trade payable)          | 6.08                         | 5.71                         |
| Shapoorji Pallonji Infrastructure Capital Company Private Limited (ICD) | 834.99                       | 782.96                       |
| Shapoorji Pallonji Energy (Gujarat) P Ltd (ICD)                         | 66.73                        | 63.62                        |
| Evangelos Venturs Private Limited (Perpetual Loan )                     | 80.00                        | 80.00                        |
| Gokak Textiles limited (ICD)                                            | 5,491.57                     | 5,990.57                     |

**27. Capital Management :**

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

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



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

The capital components of the Company are as given below :

| ( ₹ in lakhs )                                                        |                 |                 |
|-----------------------------------------------------------------------|-----------------|-----------------|
| Particulars                                                           | March 31, 2025  | March 31, 2024  |
| <b>Total Equity</b>                                                   | <b>1,705.68</b> | <b>1,635.40</b> |
| Short Term Borrowings (Inter Corporate Deposits from Holding Company) | 5,491.57        | 5,990.57        |
| Long Term Borrowings (Inter Corporate Deposits Group Companies)       | 901.72          | 846.58          |
| <b>Total Debt</b>                                                     | <b>6,393.29</b> | <b>6,837.15</b> |
| Cash and Cash equivalents                                             | 1.54            | 1.71            |
| <b>Total Cash and Cash Equivalents</b>                                | <b>1.54</b>     | <b>1.71</b>     |
| <b>Net Debt</b>                                                       | <b>6,391.75</b> | <b>6,835.44</b> |
| <b>Debt Equity ratio</b>                                              | <b>3.75</b>     | <b>4.18</b>     |
| Debt Equity Ratio = Net debt / Total Equity                           |                 |                 |

### 28. Financial risk management objectives :

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

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

#### (a) Market Risk :

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

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

#### Currency risk :

The Company is not exposed to currency risk, since there are no transaction in foreign currency.

#### Interest Risk and Sensitivity Analysis :

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The outstanding borrowings of the Company at reporting date consists of Inter corporate deposits from Holding Company and its group companies at fixed rates, accordingly, the Company is not exposed to interest rate fluctuation risks in the short term.

#### (b) Liquidity Risk :

Prudent liquidity risk management implies maintaining sufficient cash and bank balance and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows. The Company does not have credit lines as at the end of the reporting period. The Company has obtained inter corporate deposits from Holding Company and group companies which are repayable on demand and dependent upon financial support from the Holding Company in case of any immediate demand.

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

| Maturities of Financial Liabilities                                  | March 31, 2025  |                 |               |               |
|----------------------------------------------------------------------|-----------------|-----------------|---------------|---------------|
|                                                                      | Total           | Upto 1 year     | 1 to 3 Years  | 3 years above |
| Borrowings ( Long term and Short term, Including current maturities) | 6,393.29        | 5,491.57        | 901.72        | -             |
| Trade Payables                                                       | 16.62           | 16.62           | -             | -             |
| Other Financial Liabilities                                          | 20.86           | 19.86           | -             | 1.00          |
| <b>Total</b>                                                         | <b>6,430.78</b> | <b>5,528.06</b> | <b>901.72</b> | <b>1.00</b>   |

| Maturities of Financial Liabilities                                  | March 31, 2024  |                 |               |               |
|----------------------------------------------------------------------|-----------------|-----------------|---------------|---------------|
|                                                                      | Total           | Upto 1 year     | 1 to 3 Years  | 3 years above |
| Borrowings ( Long term and Short term, Including current maturities) | 6,837.15        | 5,990.57        | 846.58        | -             |
| Trade Payables                                                       | 10.30           | 10.30           | -             | -             |
| Other Financial Liabilities                                          | 21.91           | 20.91           | -             | 1.00          |
| <b>Total</b>                                                         | <b>6,869.36</b> | <b>6,021.78</b> | <b>846.58</b> | <b>1.00</b>   |

**(c) Credit Risk:**

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

**Trade and other receivables**

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

(₹ in lakhs)

| Particulars       | March 31, 2025 | March 31, 2024 |
|-------------------|----------------|----------------|
| Trade receivables | 28.59          | 77.22          |
| <b>Total</b>      | <b>28.59</b>   | <b>77.22</b>   |

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

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

| Particulars                               | As at April 01, 2024 | Cash in flow | Cash out flow   | Non cash movement (net) | As at March 31, 2025 |
|-------------------------------------------|----------------------|--------------|-----------------|-------------------------|----------------------|
| Borrowings (including current maturities) | 6,837.16             | -            | (823.83)        | 379.96                  | 6,393.29             |
| <b>Total Borrowings</b>                   | <b>6,837.16</b>      | <b>-</b>     | <b>(823.83)</b> | <b>379.96</b>           | <b>6,393.29</b>      |



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

### 30. Financial Instrument - Fair Value Disclosures :

(₹ in lakhs)

|                                  | As at March 31, 2025 |        |                 | As at March 31, 2024 |        |                 |
|----------------------------------|----------------------|--------|-----------------|----------------------|--------|-----------------|
|                                  | FVTPL                | FVTOCI | Amortised Cost  | FVTPL                | FVTOCI | Amortised Cost  |
| <b>i) Financial Assets</b>       |                      |        |                 |                      |        |                 |
| Investments                      | -                    | -      | -               | 0.26                 | -      | -               |
| Trade Receivables                | -                    | -      | 28.59           | -                    | -      | 77.22           |
| Cash and Bank Balances           | -                    | -      | 1.54            | -                    | -      | 1.71            |
| Bank balances other than above   | -                    | -      | -               | -                    | -      | -               |
|                                  | -                    | -      | <b>30.13</b>    | <b>0.26</b>          | -      | <b>78.93</b>    |
| <b>ii) Financial liabilities</b> |                      |        |                 |                      |        |                 |
| Borrowings                       | -                    | -      | 6,393.29        | -                    | -      | 6,837.16        |
| Trade Payables                   | -                    | -      | 16.62           | -                    | -      | 10.30           |
| Other Financial Liabilities      | -                    | -      | 20.86           | -                    | -      | 21.91           |
|                                  | -                    | -      | <b>6,430.78</b> | -                    | -      | <b>6,869.37</b> |

### 31. Segment reporting :

The Chief Operating Decision maker of the Company examines Company's performance as one operating segment only namely - Power

Out of the total revenue, 33% (Previous year 60%) of the revenue pertains to only two customers i.e. the Holding Company and Karnataka State Government Power Company.

### 32. Other disclosures as required by Shchedule iii Division ii of the Act :

**32.1** No proceeding has been initiated or pending against the Company for holding any Benami property.

**32.2** The Company did not have any transactions with companies struck off during current or preceding financial year.

**32.3** The Company does not have any charges or satisfaction pending to be registered with ROC beyond the statutory period.

**32.4** The Company has not traded or invested in Crypto currency or Virtual Currency during the current or preceding financial year.

**32.5** No funds have been advanced or loaned or invested by the Company to/in any intermediary with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Further, no funds have been received from any person or entity ('Funding parties') with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Funding Party.

**32.6** The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**32.7** The Company has not been declared as a wilful defaulter by any lender.

**32.8** The Company has not made any loans or advances in the nature of loans that are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....

## 33. Ratio Analysis :

| Ratios                                   | Numerator                                             | Denominator                                            | 31-Mar-25 | 31-Mar-24 | Variation (%) | Reason for variance in the ratio by more than 25%                                             |
|------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|-----------|-----------|---------------|-----------------------------------------------------------------------------------------------|
| Current Ratio (times)                    | Total Current Assets                                  | Total Current Liabilities                              | 0.01      | 0.02      | -39.76%       | Due to relative lower reduction in borrowings as compared with reduction in Trade receivable. |
| Debt equity ratio (times)                | Total borrowings                                      | Total Equity                                           | 3.75      | 4.18      | -10.34%       | -                                                                                             |
| Debt service coverage ratio (times)      | Net profit after tax + Depreciation + Finance Expense | Interest including principle payments of borrowings    | 0.98      | 2.18      | -55.01%       | Due to significant repayment of principal on demand, during the current year.                 |
| Return on equity (%)                     | Profit/(Loss) for the year                            | Average Total Equity                                   | 4.15%     | -26.66%   | -115.58%      | Due to improved profit.                                                                       |
| Trade receivables turnover ratio (times) | Revenue from Operations                               | Average trade receivables                              | 5.49      | 2.07      | 165.23%       | Due to increase in revenue and reduction in trade receivables.                                |
| Net capital turnover ratio (times)       | Revenue from Operations                               | Working capital (Current Assets - Current Liabilities) | (0.21)    | (0.11)    | 84.34%        | Due to increase in revenue and negative working capital.                                      |
| Net profit ratio (%)                     | Profit/(Loss) for the year (before exceptional items) | Revenue from Operations                                | 6.10%     | -63.60%   | -109.59%      | Due to improved profit.                                                                       |
| Return on capital employed (%)           | Earning before interest and tax                       | Tangible net worth + Total Borrowings                  | 5.66%     | 0.49%     | 1065.29%      |                                                                                               |

The Company does not purchase or hold any inventories of goods except the inventory of stores and spares of plant, machinery and equipment used in the generation of electricity. Accordingly, inventory turnover and trade payables ratio is not considered applicable.



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 Cont....**

- 34.** Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- 35.** These financial statements were approved for issue by the board of directors on May 23, 2025.

As per our report of even date

For and on behalf of the Board of Directors

For **BATLIBOI & PUROHIT**

Chartered Accountants

Firm Reg No. 101048W

**Vipan Kumar Sharma**

Chief Financial Officer

**Vinod Bhandawat**

Chairman

(DIN: 02873571)

**N. S. Gaur**

Partner

Membership No. 137138

Place: Mumbai

Date: May 23, 2025

**Rakesh M. Nanwani**

Company Secretary

Membership No. A45718

Place: Mumbai

Date: May 23, 2025

**Gautam V.Kumtakar**

Whole-time Director

(DIN: 09791999)





## **GOKAK TEXTILES LIMITED**

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