

# *Natvarlal Vepari & Co.*

## CHARTERED ACCOUNTANTS

903-904, 9th Floor, Raheja Chambers, 213, Nariman Point, Mumbai 400 021. Tel. : 6752 7100 Fax : 6752 7101 E-mail : nvc@nvc.in

### INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Pravara Renewable Energy Limited

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

##### Opinion

We have audited the accompanying Standalone Financial Statements of Pravara Renewable Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of Significant Accounting Policies and other explanatory information (herein after referred to as "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 accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2020, its Loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

##### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Material Uncertainty relating to Going Concern

We invite attention to Note 33 to the financial statements detailing the material uncertainty in procurement of the Bagasse at a lower price from the Karkhana in return of supply of power and the financial position of the Company. The facilities are marked as Non-Performing Assets. The viability of the project and the ability to continue as a going concern depends upon the ability of the Company to procure the Bagasse at a reduced price from



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the Karkhana under the arrangement to supply them power in return. The availability of adequate Bagasse to run the plant at optimum capacity is a matter of significant uncertainty. The use of coal as an alternate fuel has other issues of cost and operations. Presently the power plant is shut due to want of fuel. The lenders also are not providing funding for the procurement of the inventory for the running of the plant.

All these conditions indicate a material uncertainty in the Company's ability to continue as a going concern. Our report is not modified on this account.

### **Information Other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the Other Information. The "Other Information" comprises the Report of the Board of Directors but does not include the Standalone Financial Statements and our Independent Auditors' Report thereon. The Other Information as aforesaid is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the Other Information and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

### **Responsibilities of Management and those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone 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 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.

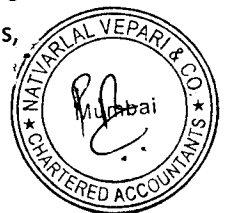
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **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 judgment and maintain professional skepticism throughout the audit. We also:

1. 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 control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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,



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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.

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

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

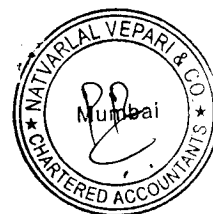
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the attached 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:



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1. 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.
2. 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.
3. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
4. In our opinion the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
5. The paragraph on material uncertainty relating to going concern, in our opinion, has an adverse effect on the functioning of the Company.
6. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
7. 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.
8. 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 managerial remuneration paid by the Company to its directors during the year. Hence the provisions of section 197 of the Act do not apply to the company.
9. 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:
  1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the standalone financial statements;



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2. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
3. There are no amounts that are required to be transferred to the Investor Education and Protection Fund.

For Natvarlal Vepari & Co  
Chartered Accountants  
Firm Registration No. 106971W



Pratik Boghani

Partner

Membership No. 183338

Mumbai, Dated: July 30, 2020

UDIN: 20183338AAAAA65045

**ANNEXURE A**

**To the Independent Auditors' Report on the Standalone IND AS Financial Statements  
of Pravara Renewable Energy Limited**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.
- (b) Property, Plant & Equipment have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verification.
- (c) We have verified the title deeds of immovable properties forming part of Property, Plant and Equipment produced before us by the management and based on such verification we confirm that the same are held in the name of the company.
- (ii) (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the period;
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification on inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business;
- (c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has not granted any loans, made any investments, provided any guarantees and security and thus the provisions of section 185 and 186 with respect to loans, investments, guarantees and security given are not applicable to the Company and therefore the provisions of clause 3(iv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.



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- (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, related to Sale of Electricity, and 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 information and explanation given to us and on the basis of our examination of records of the Company, amount deducted or accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Goods and Service Tax, Cess, Goods and Service tax and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there were slight delays.

According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2020 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, there are dues of Sales Tax, Income Tax, Service Tax, Goods and Service Tax and Value Added Tax, which have not been deposited on account of any dispute as follows :

Particulars	AY	Forum in which the matter is pending	Amount (Rs.in lakhs)
Income Tax demand	2016-17	CIT (A)	3,487.97
Income Tax demand	2018-19	CIT (A)	154.42

- (viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has defaulted / delayed in repayment of principal of Rs.1,772.00 lakhs and interest of Rs. 1,950.06 lakhs to banks as mentioned in Note 12.1(c) and Note 12.2(c) to the Financial Statements. The Company did not have any dues to debenture holders during the year.
- (ix) The Company has not raised any money by way of initial public offer and further public offer (including debt instrument). According to the information and explanations given to us and based on the documents and records produced to us, the Company has not taken any term loan during the year and therefore provision of clause 3(ix) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or





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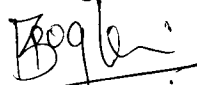
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employees has been noticed or reported during the year.

- (xi) The company has not paid any managerial remuneration during the year and hence provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable and consequently clause 3(xi) of the Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.
- (xiii) Since the company is a wholly owned subsidiary of a listed company, therefore the provisions of Sec.177 is not applicable in respect of transactions with related parties, the company has complied with the provisions of Sec 188 of the Act, where applicable. The necessary disclosures relating to related party transactions have been made in the Financial Statements as required by applicable accounting standard.
- (xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence the clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co  
Chartered Accountants  
Firm Registration No.106971W



Pratik Boghani

Partner

Membership No. 183338

Mumbai, Dated: July 30, 2020

UDIN: 20183338AAAAAG5045



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

#### **Report on the Internal Financial Controls with reference to Financial Statements 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 Financial Statements of Pravara Renewable Energy Limited ("the Company") as of March 31, 2020 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 based on the internal control with reference to 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 system 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



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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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements.

### **Meaning of Internal Financial Controls with reference to 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 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 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 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 Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on



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Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Natvarlal Vepari & Co  
Chartered Accountants  
Firm Registration No. 106971W



Pratik Boghani  
Partner

Membership No. 183338

Mumbai, Dated: July 30, 2020

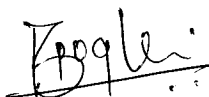
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**PRAVARA RENEWABLE ENERGY LIMITED**  
**CIN: U45202MH2008PLC185428**  
**BALANCE SHEET AS AT MARCH 31, 2020**  
(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	NoteRe f.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>(A) Non-current assets</b>			
(a) Property, Plant and Equipment	3	21,466.18	22,806.25
(b) Right to use Asset	4	294.30	-
(c) Financial Assets			
(i) Loans	5.2	125.68	125.68
d) Other Non-current assets	6	83.33	347.27
<b>Total Non - Current Assets (A)</b>		<b>21,969.49</b>	<b>23,279.20</b>
<b>(B) Current Assets</b>			
(a) Inventories	7	59.28	321.59
(b) Financial Assets			
(i) Trade receivables	5.1	1,359.80	6,039.69
(ii) Cash and Cash Equivalents	8	215.69	53.08
(iii) Others	5.3	9.69	319.60
(c) Other Current assets	6	44.07	64.42
<b>Total Current Assets (B)</b>		<b>1,688.53</b>	<b>6,798.37</b>
<b>Total Assets (A+B)</b>		<b>23,658.02</b>	<b>30,077.57</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>(A) Equity</b>			
(a) Equity Share capital	9	4,792.00	4,792.00
(b) Other Equity	10	(10,175.60)	(7,682.13)
(c) Amounts entirely in the nature of equity	11	1,916.35	1,916.35
<b>Total Equity (A)</b>		<b>(3,467.25)</b>	<b>(973.78)</b>
<b>Liabilities</b>			
<b>(B) Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12.1	10,477.34	12,604.01
(b) Provisions	13	45.49	39.45
(c) Deferred tax liabilities (Net)	14	904.78	708.82
<b>Total Non-Current Liabilities (B)</b>		<b>11,427.61</b>	<b>13,352.28</b>
<b>(C) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	12.2	5,983.69	6,357.27
(ii) Trade payables			
- Dues of Micro and Small Enterprise	12.3	-	-
- Dues of Other than Micro and Small Enterprise	12.3	2,467.37	6,252.39
(iii) Other financial liabilities	12.4	7,214.52	5,074.55
(b) Other current liabilities	15	21.14	14.51
(c) Provisions	13	10.94	0.35
<b>Total Current Liabilities (C)</b>		<b>15,697.66</b>	<b>17,699.07</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>23,658.02</b>	<b>30,077.57</b>

As per our report of even date  
For Natvarlal Vepari and Co.

ICAI Firm Registration No. : 106971W  
Chartered Accountants



Pratik Boghani  
Partner  
Membership No :183338  
Mumbai  
Dated: 30th July 2020



For and on behalf of the Board of Directors of  
Pravara Renewable Energy Limited

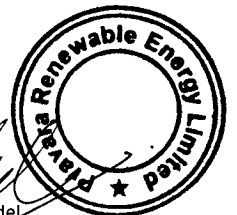


Naresh Sasanwar  
Director  
DIN:01861034  
Mumbai





Hemant Chandel  
Director  
DIN:07473472  
Mumbai



**PRAVARA RENEWABLE ENERGY LIMITED**  
**CIN: U45202MH2008PLC185428**  
**Statement of Profit and Loss for the period ended March 31, 2020**  
(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	For the Year ended March 31, 2020	For the period ended March 31, 2019
I Revenue from Operations ( Gross)	16	3,224.32	6,296.38
II Other Income:	17	641.08	21.98
<b>III Total Revenue (I + II)</b>		<b>3,865.40</b>	<b>6,318.36</b>
<b>IV Expenses:</b>			
Cost of raw material consumed	18	737.79	2,277.05
Purchase of Electricity		445.15	433.62
Employee Benefit Expenses	19	187.47	172.82
Finance Cost	20	2,375.76	2,573.76
Depreciation and amortisation expense	3	1,354.34	1,356.91
Other Expenses	21	1,040.91	699.93
<b>Total Expenses (IV)</b>		<b>6,141.42</b>	<b>7,514.10</b>
<b>V Profit/(Loss) Before Tax (III-IV)</b>		<b>(2,276.02)</b>	<b>(1,195.74)</b>
VI Tax Expense	22	195.96	(5,657.50)
1. Short Provision for Tax		-	-
2. Deferred Tax		195.96	(5,657.50)
<b>VII Profit/(Loss) for the year ( V-VI)</b>		<b>(2,471.98)</b>	<b>4,461.76</b>
<b>Other comprehensive income</b>			
Re-measurement gains/ (losses) on defined benefit plans (net of Deferred Tax)		(2.62)	0.86
<b>VIII Total comprehensive income</b>		<b>(2,474.60)</b>	<b>4,462.62</b>
Earnings per Share	23		
Basic		(5.16)	9.31
Diluted		(5.16)	9.31

As per our report of even date

For Natvarlal Vepari and Co.  
ICAI Firm Registration No. : 106971W  
Chartered Accountants



Pratik Boghani  
Partner  
Membership No :183338  
Mumbai  
Dated: 30th July 2020

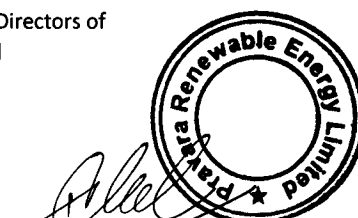




For and on behalf of the Board of Directors of  
Pravara Renewable Energy Limited



Naresh Sasanwar  
Director  
DIN:01861034  
Mumbai  
Dated: 30th July 2020



  
Hemant Chandel  
Director  
DIN:07473472  
Mumbai

**PRAVARA RENEWABLE ENERGY LIMITED**  
**CIN: U45202MH2008PLC185428**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**  
(All amounts in Rupees in lakhs unless otherwise stated)

Particulars	For the Year Ended 31-Mar-20		For the Year Ended 31-Mar-19	
<b>A. Cash flow from operating activities:</b>				
Net profit / (loss) before tax		(2,276.02)		(1,195.74)
<b>Adjustments:</b>				
Provision for Insurance Claim		-		-
Interest Income on financial asset on amortised cost		(6.99)		(13.11)
Re-measurement impact on fair valuation		-		-
Allowance of expected credit loss		254.59		
Interest Expense on financial assets at amortised cost		2,304.34		2,549.10
Interest on lease liability		42.52		
Other finance costs		28.90		22.61
Depreciation		1,354.34		1,356.91
		<u>3,977.69</u>		<u>3,915.51</u>
		<b>1,701.67</b>		<b>2,719.77</b>
<b>Operating profit before working capital changes</b>				
<b>Movements in working capital :</b>				
(Decrease) / Increase in trade payables and other liabilities		(4,043.44)		3,672.82
Decrease / (increase) in inventories		262.31		(267.59)
Decrease / (increase) in Financial Assets		4,990.16		(1,553.09)
Decrease / (increase) in Non -Financial Assets		4.41		16.35
		<u>1,213.45</u>		<u>1,868.49</u>
		<b>2,915.12</b>		<b>4,588.26</b>
<b>Cash (used in) / generated from the operations</b>		<u>(3.62)</u>		<u>(8.33)</u>
Direct taxes paid (-)/ Refund received (+)		<b>2,911.50</b>		<b>4,579.92</b>
<b>Net cash (used in) / generated from the operations</b>				
<b>B. Cash flow from investment activities:</b>				
Interest received		6.62		5.84
Purchase of Property Plant and Equipments		-		(1.88)
<b>Net cash (used in)/from investment activities</b>		<u>6.62</u>		<u>3.96</u>
<b>C. Cash flow from financing activities:</b>				
Repayment of long term borrowings		(1,304.72)		(1,439.92)
Repayment of Short Term Borrowings		(54.10)		16.60
Proceeds from Short Term Borrowings		(319.48)		(156.73)
Lease Liability Paid		(64.16)		
Finance cost paid		(1,013.05)		(4,731.91)
		<u>(2,755.52)</u>		<u>(4,731.91)</u>
<b>Net cash (used in)/from financing activities</b>		<u>162.61</u>		<u>(147.98)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>				
Closing balance of cash and cash equivalents		215.69		53.09
Opening balance of cash and cash equivalents		53.08		201.06
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>162.60</u>		<u>(147.98)</u>
<b>Components of cash and cash equivalents</b>				
Cash in hand		0.27		53.08
Bank Balance		215.42		-
<b>Total components of cash and cash equivalents</b>		<u>215.69</u>		<u>53.09</u>

Note : Figures in brackets denote outflows.

Summary of significant accounting policies

2.1

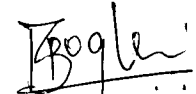
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Natvarlal Vepari and Co.

ICAI Firm Registration No. : 106971W

Chartered Accountants



Pratik Boghani

Partner

Membership No :183338

Mumbai

Dated: 30th July 2020



For and on behalf of the Board of Directors of  
Pravara Renewable Energy Limited



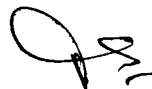
Naresh Sasanwar

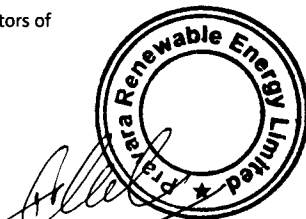
Director

DIN:01861034

Mumbai

Dated: 30th July 2020





Hemant Chandel

Director

DIN:07473472

Mumbai

PRAVARA RENEWABLE ENERGY LIMITED

CIN: U45202MH2008PLC185428

Notes to financial statements for the year ended March 31, 2020

(All amounts are Rupees in lakhs unless otherwise stated)

Statement of Changes in Equity

A Equity

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>				
Balance at the beginning of the reporting period	4,79,20,000	4,792.00	4,79,20,000	4,792.00
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>4,79,20,000</b>	<b>4,792.00</b>	<b>4,79,20,000</b>	<b>4,792.00</b>

B Other Equity


Particulars	Retained Earnings	Total
<b>Balance as on April 1, 2018</b>	<b>(12,144.75)</b>	<b>(12,144.75)</b>
Profit / (Loss) for the year	4,461.76	4,461.76
Remeasurement Gain/(Loss) on defined benefit plans	0.86	0.86
<b>Balance as on March 31, 2019</b>	<b>(7,682.13)</b>	<b>(7,682.13)</b>
Profit / (Loss) for the period	(2,471.98)	(2,471.98)
Other Adjustment	(18.87)	(18.87)
Remeasurement Gain/(Loss) on defined benefit plans	(2.62)	(2.62)
<b>Balance as on Mar 31, 2020</b>	<b>(10,175.60)</b>	<b>(10,175.60)</b>


As per our report of even date  
For Natvarlal Vepari and Co.  
ICAI Firm Registration No. : 106971W  
Chartered Accountants

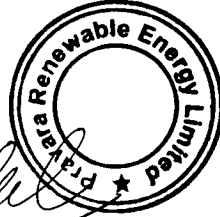
  
Pratik Boghani  
Partner  
Membership No :183338  
Mumbai  
Dated: 30th July 2020



For and on behalf of the Board of Directors of  
Pravara Renewable Energy Limited

  
Naresh Sasanwar  
Director  
DIN:01861034  
Mumbai  
Dated: 30th July 2020

  
Hemant Chandel  
Director  
DIN:07473472  
Mumbai







**PRAVARA RENEWABLE ENERGY LIMITED**

CIN: U45202MH2008PLC185428

Notes to financial statements for the period ended March 31, 2020

(All amounts are Rupees in lakhs unless otherwise stated)

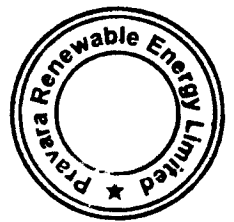
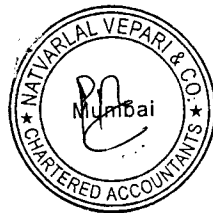
**3 Property, Plant and Equipment**

Particulars	Factory Building	Plant & Machinery	Computers	Furniture & Fixtures	Office Equipments	Total
<b>Cost or valuation</b>						
As at April 1, 2018	4,849.57	22,562.55	0.41	6.22	6.85	27,425.60
Additions	-	-	-	0.55	1.32	1.88
Sales/Disposals/Adjustments	-	-	-	-	-	-
As at March 31, 2019	4,849.57	22,562.55	0.41	6.77	8.17	27,427.48
Additions	-	-	-	-	-	-
Sales/Disposals/Adjustments	-	-	-	-	-	-
As at March 31, 2020	4,849.57	22,562.55	0.41	6.77	8.17	27,427.48
<b>Depreciation</b>						
As at April 1, 2018	464.89	2,791.02	0.41	3.65	4.35	3,264.32
Charge for the period	193.70	1,161.42	-	0.78	1.01	1,356.91
Sales/Disposals/Adjustments	-	-	-	-	-	-
As at March 31, 2019	658.60	3,952.44	0.41	4.43	5.36	4,621.23
Charge for the period	194.24	1,144.06	-	0.66	1.11	1,340.07
Sales/Disposals/Adjustments	-	-	-	-	-	-
As at March 31, 2020	852.83	5,096.50	0.41	5.09	6.47	5,961.30
<b>Net Block</b>						
As at March 31, 2019	4,190.98	18,610.11	-	2.34	2.81	22,806.25
As at March 31, 2020	3,996.74	17,466.05	-	1.68	1.70	21,466.18

**4 Right to use -Lease**

Particulars	Total
<b>Gross Block</b>	
As at April 01, 2019	-
Addition	308.57
Disposals	-
Less: Amortisation	14.27
<b>As at March 31, 2020</b>	<b>294.30</b>

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the lease liability are recognized based on incremental borrowing rate on the initial application date (01.04.2019) and same amount are recognized for ROU assets. Refer Note 24



**PRAVARA RENEWABLE ENERGY LIMITED**  
**CIN: U45202MH2008PLC185428**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

## 1 Corporate Information

Pravara Renewable Energy Limited (PREL), a Special Purpose Vehicle (SPV), has been incorporated for the implementation of a Cogeneration Power Project in association with Padmashri Dr. Vithalrao Vikhe Patil Sahakari Sakhar Karkhana Limited (PDVVPSSKL or Karkhana) at village Pravara Nagar, Tehsil Rahata, Dist. Ahmednagar, Maharashtra.

PREL has entered into a Project Development Agreement (PDA) with PDVVPSSKL for the development of a 30 MW Cogeneration Project on Build-Own-Operate-Transfer (BOOT) basis. The Concession period is 25 years from Commercial Operation Date (COD). PREL has also signed Power Purchase Agreement (PPA) with Maharashtra State Electricity Distribution Company (MSEDCL) for supply of additional electricity to MSEDCL at a contracted rate as per guidelines of Maharashtra Electric Regulatory Commission (MERC).

Accordingly, PREL has installed the Cogeneration facility uses bagasse as primary fuel supplemented by biogas, biomass, coal, liquid fuel or any other fuel and started commercial operation of said plant on 6th November 2015 and producing steam and electricity which are supplying to PDVVPSSKL and MSEDCL as per above agreement and generate revenue.

### Project Cost and Means of Finance

(a) Project funded by a consortium of lenders led by Central bank of India. The other consortium member is Corporation Bank

(b) The Consortium of lenders has also sanctioned Working Capital Limits of Rs. 40 crores (including LC of Rs. 20 crores) for the Project.

### Present Status

The agreement entered into by the Company with the Karkhana for operation & maintenance of the power plant and Minimum Guaranteed Amount in the previous year was subject to lenders approval. The lenders did not approve the arrangement and finally the two parties to the agreement also did not adhere to the terms. Therefore finally all the transactions have been recorded in the books for and on behalf of the Company as if there was no such agreement. The claims and counter claims raised by either party has been recorded either as receivable or as a contingent liability as claims not acknowledged as debts

## 2 Basis of Preparation

These financial statements are Standalone Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone financial statements are presented in INR and all values are rounded to the nearest lakhs , except otherwise stated.

These financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

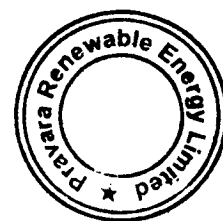
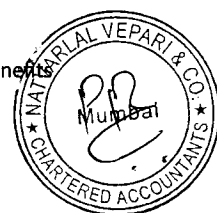
Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of realisability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

## 3 New Standards Adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing April 1, 2019.

- i) Ind AS 116, Leases
- ii) Long-term interest in Associates and Joint Ventures- Amendments to Ind AS 28, Investments in Associates and Joint Ventures
- iii) Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes
- iv) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits
- v) Amendment to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements
- vi) Amendment to Ind AS 23, Borrowing Costs



**PRAVARA RENEWABLE ENERGY LIMITED**  
**CIN: U45202MH2008PLC185428**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

Amendments listed above except Ind AS 116, did not have any material impact on the current period and are not expected to significantly affect the future period.

#### **4 Summary of significant accounting policies**

The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

##### **1 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

##### **2 Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

###### **An asset is current when :**

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

###### **A liability is current when :**

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

##### **3 Property, Plant and Equipment (PPE)**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

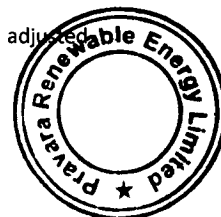
Decommissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

Borrowing costs on Property, Plant and Equipments are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets in accordance with Schedule II to the Companies Act 2013

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



**PRAVARA RENEWABLE ENERGY LIMITED**  
**CIN: U45202MH2008PLC185428**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**4 Borrowing costs**

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

**5 Impairment Loss**

Assets with an indefinite useful life and goodwill are not amortized/ depreciated and are tested annually for impairment. Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

**6 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

► Raw materials, Components, Stores and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**7 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

**8 Provisions and Contingent Liabilities**

**Provisions**

The Company recognizes a provision when it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

**Contingent liabilities**

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

**9 Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity, a defined benefit obligation is provided on the basis of an actuarial valuation made at the end of each year/period on projected Unit Credit Method.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

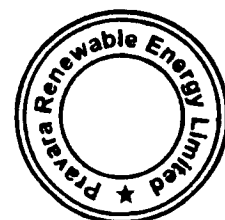
Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The current and non-current bifurcation is done as per Actuarial report.



**PRAVARA RENEWABLE ENERGY LIMITED**  
**CIN: U45202MH2008PLC185428**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**Termination Benefits**

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

**10 Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**11 Financial instruments**

**Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized 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.

**12 Non-derivative financial instruments**

**Subsequent measurement**

**i) 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.

**ii) Financial assets at fair value through other comprehensive income**

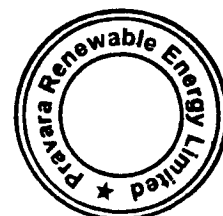
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**iii) 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.

**iv) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.



**PRAVARA RENEWABLE ENERGY LIMITED**  
**CIN: U45202MH2008PLC185428**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**13 Revenue Recognition**

**Revenue from Operations**

The Company earns revenue primarily from sale of Electricity and Steam

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative catch up method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised at point in time when the performance obligation with respect to Sale of Electricity and steam is being rendered to the Customers which is the point in time when the customer receives the service. Revenue from Sale of Electricity is recognized on output basis when the generated units are wheeled to the user and the metered units are billed at the contracted rates.

The billing schedules agreed with customers include periodic performance-based payments. Invoices are payable within contractually agreed credit period.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues.

**Use of significant judgements in revenue recognition**

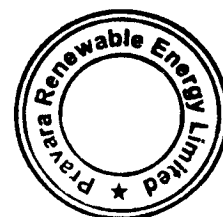
The Company’s contracts with customers include promises to provide electricity and steam to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions if any. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfilment costs are generally expensed as incurred except for certain costs which meet the criteria for capitalisation. Such costs are amortised over the useful life of asset wherever applicable. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Interest income is recognised on time proportion method basis taking into account the amount outstanding and the rate applicable.



**PRAVARA RENEWABLE ENERGY LIMITED**  
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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION TO**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

**14 Taxes**

**Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

**15 Leases**

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using the modified retrospective approach as per para C5(b) read along with para C8 of Appendix C, under which the lessee shall;

- i) recognise lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.
- ii) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either ;
  - its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or
  - an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the balance sheet immediately before the date of initial application.

Accordingly, the comparative information has not been restated and continues to be reported under Ind AS 17 "Lease". Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information. The following is the summary of the new and/or revised significant accounting policies related to Leases.

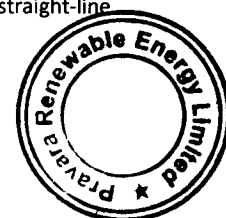
The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.



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**16 Earning per share**

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

**17 Segment reporting**

Business segments have been identified on the basis of the nature of services, the risk return profile of individual business, the organizational structure and the internal reporting system of the Company.

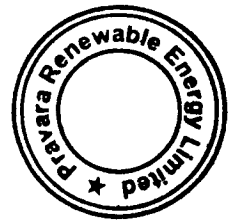
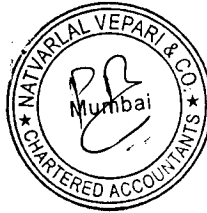
**18 Segment Composition:**

The Company has been incorporated as a Special Purpose Vehicle to set up a 30 MW bagasse based co-generation power project under Public Private Partnership scheme.

Further, the Company's operations are within a single geographical segment which is India.

**19 Dividend Distribution**

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.





PRAVARA RENEWABLE ENERGY LIMITED

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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
<b>5 Financial Assets</b>				
<b>5.1 Trade Receivables</b>				
<b>(Unsecured, at amortised cost)</b>				
(i) Trade Receivable	-	-	1,359.80	6,039.69
<b>Total</b>	-	-	<b>1,359.80</b>	<b>6,039.69</b>

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. The Company has no history of default and no provision towards expected credit loss is made.

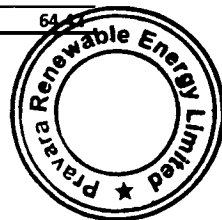
Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

The balances are subject to confirmation as on March 31,2020.

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
<b>5.2 Loans &amp; Advances</b>				
<b>(Unsecured, Considered good )</b>				
(i) Security Deposit				
- HT Connection Load	68.31	68.31	-	-
- Office deposit	57.00	57.00	-	-
- Others	0.12	0.12	-	-
- M-Vat Voluntary Registration	0.25	0.25	-	-
<b>Total</b>	<b>125.68</b>	<b>125.68</b>	-	-

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
<b>5.3 Other financial assets</b>				
(i) Insurance Claimable (Considered doubtful)	-	-	520.00	520.00
Less: Provision	-	-	(520.00)	(520.00)
(ii) Sidhi Singrauli Road Projects Limited	-	-	57.11	41.47
Less: Provision	-	-	(57.11)	-
(iii) Interest Receivable on Electricity Deposit	-	-	6.18	5.81
(iv) Unbilled Revenue	-	-	-	272.31
(v) Youngthang Power Ventures Limited	-	-	3.28	-
(vi) Sikkim Hydro Power Ventures Limited	-	-	0.23	-
<b>Total</b>	-	-	<b>9.69</b>	<b>319.60</b>

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
<b>6 Other Assets</b>				
(i) Balances with Tax Authorities	-	52.05	-	0.03
(ii) Advance taxes net of provisions	33.27	29.65	-	-
(iii) Advance to Contractors & Suppliers	-	-	-	9.12
(iv) Unamortized upfront fees	50.06	68.08	18.03	20.34
(v) Unamortised Prepaid Rent	-	-	-	-
(vi) Prepaid Expenses	-	-	24.83	34.43
(vii) Advance to employees	-	-	1.21	0.49
(viii) Advance to contractor- Gammon Engineers and Contractors Private Limited (Considered Doubtful)	73.94	73.94	-	-
Less: Provision for expected credit loss	(73.94)	-	-	-
(ix) Advance to contractor - Gammon India Limited (Considered Doubtful)	123.54	123.54	-	-
Less: Provision for expected credit loss	(123.54)	-	-	-
<b>Total</b>	<b>83.33</b>	<b>347.27</b>	<b>44.07</b>	<b>64.47</b>



PRAVARA RENEWABLE ENERGY LIMITED

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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

7 Inventories

Valued at Lower of cost and net realisable value on Weighted Average method.

Raw Material

- Bagasse  
- Coal  
- Biomass  
Boiler Ash\*

Total

As at	
March 31, 2020	March 31, 2019
1.24	256.13
52.29	57.38
5.75	5.82
-	2.26
<b>59.28</b>	<b>321.59</b>

The disclosure of inventories recognised as an expense in accordance with paragraph 36 of Ind AS 2 is as follows:

Amount of inventories recognised as an expense

\*Amount of write - down of inventories recognised as an expense

As at	
March 31, 2020	March 31, 2019
737.79	2,277.05
2.26	-

8 Cash and cash equivalents

Cash on hand  
Balances with banks  
- On current account

Total

As at	
March 31, 2020	March 31, 2019
0.27	0.00
215.42	53.08
<b>215.69</b>	<b>53.08</b>

9 Equity Share Capital

a) Authorised shares :

March 31, 2020 : 4,80,00,000 Equity shares of Rs. 10/- each

March 31, 2019 : 4,80,00,000 Equity shares of Rs. 10/- each

As at	
March 31, 2020	March 31, 2019
4,800.00	4,800.00
<b>4,800.00</b>	<b>4,800.00</b>

Issued, Subscribed and Paid up Shares:

March 31, 2020: 4,79,20,000 Equity shares of Rs. 10/- each

March 31, 2019: 4,79,20,000 Equity shares of Rs. 10/- each

4,792.00	4,792.00
<b>4,792.00</b>	<b>4,792.00</b>

b) Reconciliation of the number of equity shares

At the beginning of the period  
Issued during the year  
Outstanding at the end of the period

As at		As at	
March 31, 2020		March 31, 2019	
Number	Amount	Number	Amount
4,79,20,000	4,792.00	4,79,20,000	4,792.00
-	-	-	-
<b>4,79,20,000</b>	<b>4,792.00</b>	<b>4,79,20,000</b>	<b>4,792.00</b>

c) Details of shareholders holding more than 5% shares in

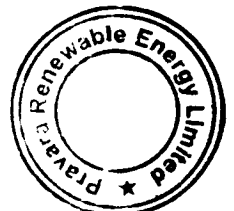
Gammon Infrastructure Projects Limited (GIPL) - Holding Company

As at		As at	
March 31, 2020		March 31, 2019	
Number	% of holding	Number	% of holding
4,79,20,000	100%	4,79,20,000	100%

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

d) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.



PRAVARA RENEWABLE ENERGY LIMITED

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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

		As at	
		March 31, 2020	March 31, 2019
<b>10 Other Equity</b>			
	Retained earnings	(10,175.60)	(7,682.14)
	<b>Total</b>	<b>(10,175.60)</b>	<b>(7,682.14)</b>
		As at	
		March 31, 2020	March 31, 2019
<b>11 Amounts entirely in the nature of equity</b>			
	Capital contribution	1,916.35	1,916.35
	<b>Total</b>	<b>1,916.35</b>	<b>1,916.35</b>

The above loan is repayable only after discharge of all liabilities of the bankers and others and to that extent is quasi equity in nature as it has residuary interest in the assets.

		As at		As at	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Non- Current		Current Maturities	
<b>12 Financial Liabilities</b>					
<b>12.1 Long term Borrowings</b>					
	Indian rupee loans from banks (secured)	10,477.34	12,604.01	2,108.00	1,725.72
	Overdue Principal			1,621.86	1,182.19
	Current maturities of long term borrowings (refer note 11.1(b))			(3,729.86)	(2,907.91)
	<b>Total</b>	<b>10,477.34</b>	<b>12,604.01</b>	<b>-</b>	<b>-</b>

On account of the company being marked as NPA w.e.f 31st December 2017 by the lenders , no interest has been charged by the lead banker. The company has made provision for interest on the basis of the last sanction and last revision of terms. Therefore the loan balance and finance cost are subject to confirmation and consequent reconciliation , if any.

		As at	
		March 31, 2020	March 31, 2019
<b>12.2 Short term Borrowings</b>			
	Cash credit from banks		
	- Corporation Bank	1,478.47	1,597.65
	- Central Bank of India	2,060.74	2,261.04
	Unsecured Inter-corporate loan from GIPL	2,444.48	2,498.58
	<b>Total</b>	<b>5,983.69</b>	<b>6,357.27</b>

**a) Terms of loan**

The above term loan from bank is secured by a first mortgage and charge on all the Company's immovable properties, movable properties, tangible assets, intangible assets, and all bank accounts (including escrow accounts) except fuel and receivables. Fuel and receivables shall entail second charge.

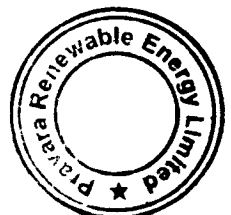
Term loan from Central Bank of India (outstanding current year: Rs 8,555.82 lakhs, previous year: 9,329.23 lakhs carries an interest of MCLR (1 year) plus spread of 295 basis points.

Term loan from Corporation Bank (outstanding current year: Rs 5,651.37 lakhs, previous year: 6,182.69 lakhs) carries an interest of MCLR (1 year) plus spread of 270 basis points. Further if Company is paying higher Rate of Interest (ROI) to Central Bank of India then same ROI will apply to term loan from Corporation Bank as well.

- (b) The agreement entered into by the Company with the Karkhana for operation & maintenance of the power plant and Minimum Guaranteed Amount in the previous year was subject to lenders approval. The lenders did not approve the arrangement and finally the two parties to the agreement also did not adhere to the terms. Therefore finally all the transactions have been recorded in the books for and on behalf of the Company as if there was no such agreement. The claims and counter claims raised by either party has been recorded either as receivable or as a contingent liability as claims not acknowledged as debts. This has also significantly impacted the relations with the lenders as the agreement entered into provided for the payment of minimum guarantee which would have ensured that the lender's dues are paid.

**b) Maturity profile of term loans as per sanction without**

	March 31, 2020	March 31, 2019
Instalment payable within next one year (Including Overdue Principal)	3,729.86	2,907.91
Instalment payable between 2 to 5 years	8,133.34	8,008.00
Instalment payable beyond 5 years	2,344.00	4,596.01
<b>Total</b>	<b>14,207.20</b>	<b>15,511.92</b>



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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

c) Default and Delay Disclosure

i) Loan/Interest Delay Disclosure

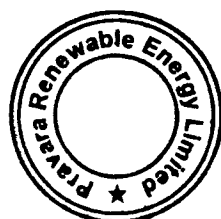
Term Loan from Banks

As on March 31, 2020

Name of the Bank	Amount	Nature of payment	Due date of payment	Paid Date if applicable	Delay in days
Corporation Bank	30.29	Principal	31-May-18	18-Apr-19	322
Central Bank of India	71.89	Principal	31-May-18	18-Apr-19	322
Corporation Bank	144.00	Principal	31-Aug-18	18-Apr-19	230
Central Bank of India	216.00	Principal	31-Aug-18	18-Apr-19	230
Corporation Bank	39.22	Principal	30-Nov-18	18-Apr-19	139
Corporation Bank	104.78	Principal	30-Nov-18	29-May-19	180
Central Bank of India	29.72	Principal	30-Nov-18	18-Apr-19	139
Central Bank of India	186.28	Principal	30-Nov-18	22-May-19	173
Corporation Bank	112.88	Principal	28-Feb-19	29-May-19	90
Corporation Bank	31.12	Principal	28-Feb-19	29-Jun-19	121
Central Bank of India	72.55	Principal	28-Feb-19	22-May-19	83
Central Bank of India	143.45	Principal	28-Feb-19	29-Jun-19	121
Corporation Bank	66.48	Interest	31-Mar-19	18-Apr-19	18
Central Bank of India	103.23	Interest	31-Mar-19	18-Apr-19	18
Corporation Bank	59.34	Interest	30-Apr-19	29-May-19	29
Central Bank of India	91.17	Interest	30-Apr-19	22-May-19	22
Corporation Bank	69.03	Principal	31-May-19	29-Jun-19	29
Central Bank of India	53.50	Principal	31-May-19	29-Jun-19	29
Corporation Bank	59.86	Interest	31-May-19	29-Jun-19	29
Central Bank of India	43.05	Interest	31-May-19	29-Jun-19	29

As on March 31, 2019

Name of the Bank	Amount	Nature of payment	Due date of payment	Paid Date if applicable	Delay in days
Corporation Bank	130.10	Principal	30-Nov-17	23-Oct-18	327
Corporation Bank	8.90	Principal	30-Nov-17	26-Mar-19	481
Central Bank of India	60.04	Principal	30-Nov-17	25-Mar-19	480
Central Bank of India	97.89	Principal	30-Nov-17	26-Mar-19	481
Corporation Bank	25.00	Interest	30-Nov-17	05-Jun-18	187
Corporation Bank	26.06	Interest	30-Nov-17	30-Jun-18	212
Central Bank of India	2.54	Interest	30-Nov-17	16-May-18	167
Central Bank of India	99.93	Interest	31-Dec-17	16-May-18	136
Corporation Bank	69.53	Interest	31-Dec-17	30-Jun-18	181
Central Bank of India	10.33	Interest	31-Jan-18	16-May-18	105
Central Bank of India	90.71	Interest	31-Jan-18	12-Sep-18	224
Corporation Bank	70.31	Interest	31-Jan-18	30-Jun-18	150
Corporation Bank	139.00	Principal	28-Feb-18	26-Mar-19	391
Central Bank of India	208.00	Principal	28-Feb-18	26-Mar-19	391
Central Bank of India	92.30	Interest	28-Feb-18	12-Sep-18	196
Corporation Bank	64.24	Interest	28-Feb-18	30-Jun-18	122
Corporation Bank	71.11	Interest	31-Mar-18	30-Jun-18	91
Central Bank of India	103.58	Interest	31-Mar-18	12-Sep-18	165
Corporation Bank	9.46	Interest	30-Apr-18	30-Jun-18	61
Corporation Bank	54.17	Interest	30-Apr-18	12-Sep-18	135
Central Bank of India	100.56	Interest	30-Apr-18	12-Sep-18	135
Corporation Bank	68.85	Interest	31-May-18	12-Sep-18	104
Corporation Bank	113.71	Principal	31-May-18	26-Mar-19	299
Central Bank of India	32.86	Interest	31-May-18	12-Sep-18	104
Central Bank of India	71.86	Interest	31-May-18	23-Oct-18	145
Central Bank of India	144.11	Principal	31-May-18	26-Mar-19	299
Central Bank of India	101.96	Interest	30-Jun-18	23-Oct-18	115
Corporation Bank	69.65	Interest	30-Jun-18	12-Sep-18	74
Corporation Bank	64.58	Interest	31-Jul-18	12-Sep-18	43
Central Bank of India	106.56	Interest	31-Jul-18	23-Oct-18	84
Corporation Bank	22.76	Interest	31-Aug-18	12-Sep-18	12
Corporation Bank	44.83	Interest	31-Aug-18	23-Oct-18	53
Central Bank of India	79.62	Interest	31-Aug-18	23-Oct-18	53
Central Bank of India	28.18	Interest	31-Aug-18	02-Mar-19	183
Corporation Bank	65.07	Interest	30-Sep-18	23-Oct-18	23
Central Bank of India	103.34	Interest	30-Sep-18	02-Mar-19	153
Corporation Bank	66.56	Interest	31-Oct-18	02-Mar-19	122
Central Bank of India	104.87	Interest	31-Oct-18	02-Mar-19	122
Corporation Bank	33.44	Interest	30-Nov-18	02-Mar-19	92
Corporation Bank	31.83	Interest	30-Nov-18	25-Mar-19	115
Central Bank of India	99.42	Interest	30-Nov-18	02-Mar-19	92
Corporation Bank	66.27	Interest	31-Dec-18	25-Mar-19	84
Central Bank of India	84.19	Interest	31-Dec-18	02-Mar-19	61



**PRAVARA RENEWABLE ENERGY LIMITED**

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**Notes to financial statements as at and for the year ended March 31, 2020**

(All the figures are Rupees in lakhs unless otherwise stated)

Central Bank of India	20.08	Interest	31-Dec-18	25-Mar-19	84
Corporation Bank	67.04	Interest	31-Jan-19	25-Mar-19	53
Central Bank of India	105.49	Interest	31-Jan-19	25-Mar-19	53
Corporation Bank	22.86	Interest	28-Feb-19	25-Mar-19	25
Corporation Bank	38.39	Interest	28-Feb-19	25-Mar-19	25
Central Bank of India	96.40	Interest	28-Feb-19	25-Mar-19	25

**ii) Continuing Default Disclosure**

**As on March 31, 2020**

Name of the Bank	Amount	Nature of	Due date of	Paid Date if	Delay in days
Corporation Bank	107.97	Principal	31-May-19	Unpaid	305
Central Bank of India	212.50	Principal	31-May-19	Unpaid	305
Corporation Bank	55.96	Interest	30-Jun-19	Unpaid	275
Central Bank of India	85.99	Interest	30-Jun-19	Unpaid	275
Corporation Bank	56.74	Interest	31-Jul-19	Unpaid	244
Central Bank of India	87.11	Interest	31-Jul-19	Unpaid	244
Corporation Bank	177.00	Principal	31-Aug-19	Unpaid	213
Central Bank of India	266.00	Principal	31-Aug-19	Unpaid	213
Corporation Bank	57.40	Interest	31-Aug-19	Unpaid	213
Central Bank of India	88.14	Interest	31-Aug-19	Unpaid	213
Corporation Bank	56.48	Interest	30-Sep-19	Unpaid	183
Central Bank of India	86.73	Interest	30-Sep-19	Unpaid	183
Corporation Bank	59.02	Interest	31-Oct-19	Unpaid	152
Central Bank of India	90.64	Interest	31-Oct-19	Unpaid	152
Corporation Bank	177.00	Principal	30-Nov-19	Unpaid	122
Central Bank of India	266.00	Principal	30-Nov-19	Unpaid	122
Corporation Bank	57.78	Interest	30-Nov-19	Unpaid	122
Central Bank of India	88.74	Interest	30-Nov-19	Unpaid	122
Corporation Bank	60.68	Interest	31-Dec-19	Unpaid	91
Central Bank of India	93.19	Interest	31-Dec-19	Unpaid	91
Corporation Bank	61.38	Interest	31-Jan-20	Unpaid	60
Central Bank of India	94.28	Interest	31-Jan-20	Unpaid	60
Corporation Bank	177.00	Principal	29-Feb-20	Unpaid	31
Central Bank of India	266.00	Principal	29-Feb-20	Unpaid	31
Corporation Bank	57.93	Interest	29-Feb-20	Unpaid	31
Central Bank of India	89.23	Interest	29-Feb-20	Unpaid	31
Corporation Bank	62.89	Interest	31-Mar-20	Unpaid	0
Central Bank of India	96.89	Interest	31-Mar-20	Unpaid	0

**As on March 31, 2019**

Name of the Bank	Amount	Nature of payment	Due date of payment	Paid Date if applicable	Delay in days
Corporation Bank	30.29	Principal	31-May-18	Unpaid	304
Central Bank of India	71.89	Principal	31-May-18	Unpaid	304
Corporation Bank	144.00	Principal	31-Aug-18	Unpaid	212
Central Bank of India	216.00	Principal	31-Aug-18	Unpaid	212
Corporation Bank	144.00	Principal	30-Nov-18	Unpaid	121
Central Bank of India	216.00	Principal	30-Nov-18	Unpaid	121
Corporation Bank	144.00	Principal	28-Feb-19	Unpaid	31
Central Bank of India	216.00	Principal	28-Feb-19	Unpaid	31
Corporation Bank	66.48	Interest	31-Mar-19	Unpaid	0
Central Bank of India	103.23	Interest	31-Mar-19	Unpaid	0

**a) Cash Credit**

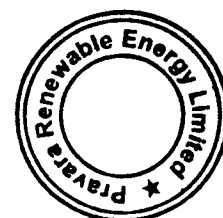
Cash credit from banks are against first charge on inventory, receivables, fuel stock and other current assets and second charge on fixed assets of the Company.

Cash credit from Central Bank of India carries an interest of MCLR (1 year) plus spread of 345 basis points.

Cash Credit from Corporation Bank carries an interest of MCLR (1 year) plus spread of 320 basis points. Further if Company is paying higher Rate of Interest (ROI) to Central Bank of India then same ROI will apply to term loan from Corporation Bank as well.

**b) Inter-corporate Loan from GIPL**

Inter-corporate Loan from GIPL is interest free ICD and is repayable on demand.



PRAVARA RENEWABLE ENERGY LIMITED

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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

c) Default Disclosure

i) Cash Credit Delays

As on March 31,2020

Name of the Bank	Amount	Nature of	Due date of	Paid Date if	Delay in days
Central Bank of India	25.66	Interest	30-Apr-19	22-May-19	22
Central Bank of India	7.22	Interest	30-Jun-19	23-Oct-19	115
Central Bank of India	26.61	Interest	31-Jul-19	23-Oct-19	84
Central Bank of India	26.92	Interest	31-Aug-19	23-Oct-19	53
Central Bank of India	26.35	Interest	30-Sep-19	23-Oct-19	23

As on March 31,2020

Name of the Bank	Amount	Nature of	Due date of	Paid Date if	Delay in days
Corporation Bank	18.32	Interest	30-Apr-19	29-May-19	29
Corporation Bank	2.42	Interest	31-May-19	23-Oct-19	145
Corporation Bank	18.35	Interest	30-Jun-19	23-Oct-19	115
Corporation Bank	19.17	Interest	31-Jul-19	23-Oct-19	84
Corporation Bank	19.40	Interest	31-Aug-19	23-Oct-19	53
Corporation Bank	19.00	Interest	30-Sep-19	23-Oct-19	23

As on March 31,2019

Name of the Bank	Amount	Nature of payment	Due date of payment	Paid Date if applicable	Delay in days
Central Bank of India	23.21	Interest	28-Feb-18	29-Jun-18	121
Central Bank of India	24.36	Interest	31-Mar-18	29-Jun-18	90
Central Bank of India	27.46	Interest	30-Apr-18	29-Jun-18	60
Central Bank of India	28.70	Interest	31-May-18	29-Jun-18	29

As on March 31,2019

Name of the Bank	Amount	Nature of payment	Due date of payment	Paid Date if applicable	Delay in days
Central Bank of India	22.91	Interest	30-Nov-17	27-Feb-18	89
Central Bank of India	27.12	Interest	31-Dec-17	27-Feb-18	58
Central Bank of India	28.33	Interest	31-Jan-18	27-Feb-18	27

ii) Continuing Default

As on March 31,2020

During the year, Central Bank of India has debited the cash credit facility account by Rs.7.00 crores. The company in the absence of any information on the apportionment of debit by the bank has apportioned this debit against the interest payment for the entire year and hence the same is not shown as a default.

As on March 31,2019

During the year, Central Bank of India has debited the cash credit facility account by Rs.4.66 crores. The company in the absence of any information on the apportionment of debit by the bank has apportioned this debit against the interest payment for the entire year and hence the same is not shown as a default.

As at

March 31, 2020      March 31, 2019

12.3 Trade Payables (at amortised cost)

i) Dues to Micro, small and medium enterprises

ii)

Dues to other than Micro, small and medium enterprises

Related Parties

Others

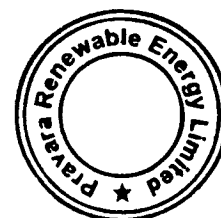
**Total**

2,467.35      6,252.38

**2,467.35      6,252.38**

As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.



PRAVARA RENEWABLE ENERGY LIMITED

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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
<b>12.4 Other Financial Liabilities</b>				
Security Advance from Kharkana	-	-	-	501.00
Overdue Principal	-	-	1,621.86	1,182.19
Current maturities of long term borrowings (refer note 11.1(b))			2,108.00	1,725.72
Interest accrued - banks	-	-	1,487.22	195.93
Dues to Related parties				
- Gammon Infrastructure Projects Limited	-	-	1,114.31	991.16
- Patna Highway Project Limited	-	-	73.00	73.00
- Indira Container Terminal Private Limited	-	-	0.02	-
Lease Liability	-	-	305.80	-
Gammon Engineers and Contractors Private Limited	-	-	350.00	350.00
Other liabilities	-	-	154.31	55.55
<b>Total</b>	-	-	<b>7,214.52</b>	<b>5,074.55</b>

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
<b>13 Provisions</b>				
Provision for leave encashment	14.10	12.26	0.03	0.27
Provision for gratuity	7.96	6.03	0.91	0.08
Provision for decommissioning liability	23.43	21.16	-	-
Provision for repairs	-	-	10.00	-
<b>Total</b>	<b>45.49</b>	<b>39.45</b>	<b>10.94</b>	<b>0.35</b>

(i) Information about individual provisions and significant estimates

a) Provision for decommissioning liability

In accordance with PDA entered by Company with Karkhana, at the end of 25 years after commercial operation Company is required to incur the expenditure to bring the plant back to its normal working condition which will result in decommissioning Obligation on the part of the Company maximum upto Rs 200 lakhs. Accordingly, Company has created provision for the said expenditure to be incurred in future in accordance with Ind AS 16 "Property Plant and Equipment"

b) Movement in provisions

Particulars	As at	
	March 31, 2020	March 31, 2019
Balance at the beginning of the period	21.16	19.10
Provision created during the period	-	-
Finance Cost on outstanding provision	2.27	2.05
Utilised during the period	-	-
<b>Balance at the end of the period</b>	<b>23.43</b>	<b>21.16</b>

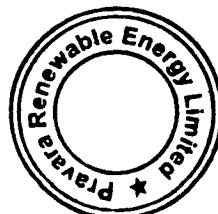
c) Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs 20 lakhs. The Company's gratuity liability is unfunded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

Particulars	As at	
	March 31, 2020	March 31, 2019
<b>(a) Reconciliation of opening and closing balances of</b>		
Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	6.11	3.51
Current Service Cost	1.45	1.40
Interest Cost	0.47	0.27
Actuarial (Gain) /Loss	2.62	(0.86)
Transfer from Holding Company	-	1.78
Benefits paid	(1.78)	-
<b>Defined Benefit obligation at the year end</b>	<b>8.87</b>	<b>6.11</b>



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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Actuarial Gain/ (Loss)	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the year end	-	-
<b>Actual Return on Plan Assets</b>	<b>-</b>	<b>-</b>
(c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of Defined Benefit obligation	8.87	6.11
<b>Liability recognized in Balance Sheet</b>	<b>8.87</b>	<b>6.11</b>
(d) Expenses recognized during the year ( Under the head “ Employees Benefit Expenses )		
Current Service Cost	1.45	1.40
Interest Cost	0.47	0.27
Expected Rate of return on Plan Assets	-	-
Past employees Service	-	-
Actuarial (Gain)/Loss	2.62	(0.86)
<b>Net Cost</b>	<b>4.54</b>	<b>0.81</b>

ii) Actuarial assumptions

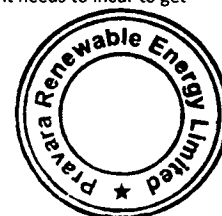
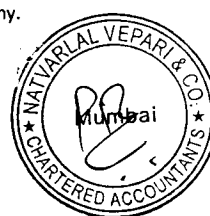
	March 31, 2020	March 31, 2019
Mortality Table (LIC)	Indian Assured Lives 2006-08	
Discount rate (per annum)	6.75%	7.75%
Expected rate of return on Plan assets (per annum)	NA	NA
Rate of escalation in salary (per annum)	6.5%	6.5%
Withdrawal rate:		
- upto age of 34	3%	3%
- upto age of 35-44	2%	2%
- upto age 45 & above	1%	1%
Retirement age	60 years	60 years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded there is no asset liability matching strategy devised for the plan.

	Discount Rate	Salary Growth Rate
iii) Sensitivity analysis		
A quantitative Sensitivity analysis for significant assumptions		
<b>Change in assumption</b>		
March 31, 2020	1%	1%
March 31, 2019	1%	1%
<b>Increase in assumption</b>		
March 31, 2020	-0.98	1.16
March 31, 2019	-0.75	0.90
<b>Decrease in assumption</b>		
March 31, 2020	1.17	-0.99
March 31, 2019	0.90	-0.76
<b>iv) Experience adjustment</b>		
Experience adjustment on Plan Liability	1.78	(1.16)

d) During the year there was a fire at the plant towards which the Company has made a provision for estimated repair which it needs to incur to get the plant running. The provision made is net of claim receivable from insurance Company.





PRAVARA RENEWABLE ENERGY LIMITED

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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>14 Deferred Tax Liability</b>		
<b>Deferred Tax Liability on account of :</b>		
- Property, Plant and Equipment (PPE)	913.75	713.67
<b>Deferred Tax Asset on account of :</b>		
- Tax Disallowances -u/s 43B	(5.98)	(4.85)
- Lease Liability	(2.99)	-
<b>Deferred Tax Liability, net</b>	<b>904.78</b>	<b>708.82</b>

The Company has decided not to claim accelerated depreciation before the tax authorities on its assets related to Power Generation. Accordingly it has made suitable changes to its claim before the Tax Authorities and modified its Written Down Value as per Tax Books. On account of the same, the Company has reversed the Deferred Tax Liability recognised earlier due to the accelerated claim of depreciation. The reversal on this account is Rs.5,657.50 lakhs

	As at		As at	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Non- Current		Current	
<b>15 Other Liabilities</b>				
Duties and Taxes payable	-	-	21.14	14.51
<b>Total</b>	<b>-</b>	<b>-</b>	<b>21.14</b>	<b>14.51</b>
			<b>2019-20</b>	<b>2018-19</b>
<b>16 Revenue from operations</b>				
Sale of Power, Steam and Fuel			3,224.32	6,296.38
<b>Total</b>			<b>3,224.32</b>	<b>6,296.38</b>

I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies ( Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Product Type and Customer type:

(i) Revenue disaggregation by type of Product is as follows:

Major Product Type	2019-20	2018-19
Electricity	3,122.24	6,132.98
Steam	102.08	147.64
Others	-	15.76
<b>Total</b>	<b>3,224.32</b>	<b>6,296.38</b>

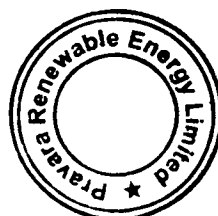
(ii) Revenue disaggregation by Customer Type is as follows:

Customer Type	2019-20	2018-19
Government Companies	2,279.04	5,019.68
Non Government Companies	945.28	1,276.70
<b>Total</b>	<b>3,224.32</b>	<b>6,296.38</b>

(iii) There is no unbilled revenue as on March 31, 2020. The balance as on March 2019 is billed during the year and hence converted into Trade Receivables.

	2019-20	2018-19
<b>17 Other Income</b>		
Purchase return of previous years	627.28	-
Interest Income on financial asset on amortised cost	6.99	13.11
Scrap Sales	-	8.87
Interest on VAT Refund	6.79	-
Interest on Income Tax Refund	0.02	-
<b>Total</b>	<b>641.08</b>	<b>21.98</b>

Particulars	2019-20	2018-19
<b>18 Cost of material Consumed</b>		
Inventory at the beginning of the year	319.33	49.10
Add : Purchases	477.73	2,547.28
Less: Inventory at the end of the year	(59.27)	(319.33)
<b>Cost of raw material consumed</b>	<b>737.79</b>	<b>2,277.05</b>



PRAVARA RENEWABLE ENERGY LIMITED

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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

	2019-20	2018-19
<b>19 Employee Benefit Expenses</b>		
Salaries and wages	170.87	156.85
Contribution to provident fund and others funds	10.38	12.82
Staff welfare expenses	6.22	3.15
<b>Total</b>	<b>187.47</b>	<b>172.82</b>

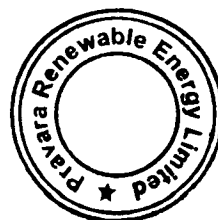
	2019-20	2018-19
<b>20 Finance Cost</b>		
Interest expenses on Financial liability at amortised cost (*)	2,302.07	2,549.10
Interest on Decommissioning Obligation	2.27	2.05
Other finance costs	28.90	22.61
Interest on lease liability	42.52	-
<b>Total</b>	<b>2,375.76</b>	<b>2,573.76</b>

(\*) Since the account is NPA and the lead bank has stopped charging interest, the Company has accrued the interest cost on the basis of the last agreed terms.

	2019-20	2018-19
<b>21 Other Expenses</b>		
Routine operation and maintenance expenses	411.53	279.77
Electricity and fuel expenses	92.86	88.46
Filing fees	0.10	0.07
Professional fees	30.36	30.80
Computer Expenses	0.11	0.18
Transportation expenses	-	0.08
Insurance expenses	37.24	20.35
Rent	70.89	60.99
Rates and Taxes	5.08	5.23
GST Credit Written off	105.36	182.24
Repairs And Maintenance - Others	1.47	12.84
Motor car expenses	8.21	10.71
Sundry expenses	5.03	5.70
Balances No Longer Receivable W/Off	1.32	0.01
Allowance of expected credit loss	254.59	-
Repair provision on account of fire loss	10.00	-
inventory Written off	2.26	-
Remuneration to Auditors (Including Tax Audit)	4.50	2.50
<b>Total</b>	<b>1,040.91</b>	<b>699.93</b>

	2019-20	2018-19
<b>a) Payment to auditors</b>		
Statutory Audit	4.25	2.25
Tax Audit	0.25	0.25
<b>Total</b>	<b>4.50</b>	<b>2.50</b>

	2019-20	2018-19
<b>22 Tax expenses</b>		
<b>a) Reconciliation of statutory rate of tax and effective rate of tax:</b>		
Current taxes	-	-
Deferred taxes	195.96	(5,657.50)
	<b>195.96</b>	<b>(5,657.50)</b>
<b>A Current Tax</b>		
Accounting profit before income tax	(2,276.02)	(1,195.74)
Enacted tax rates in India (%)	26.00%	26.00%
Minimum Alternate Tax on Book Profit	19.24%	19.24%
<b>Tax on above</b>	<b>(591.76)</b>	<b>(310.89)</b>
Effect of non deductible expenses	415.12	354.80
Effect of deductible expenses	(548.50)	(752.95)
Tax	<b>(725.15)</b>	<b>(709.04)</b>
<b>Tax Rounded Off.....A</b>	-	-
Tax on profit as per 115JB	(2,276.02)	(1,195.74)
Tax as per MAT	(591.76)	(310.89)
<b>Tax Rounded Off.....B</b>	-	-
<b>Higher of A or B</b>	-	-



PRAVARA RENEWABLE ENERGY LIMITED

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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

**B Deferred Tax Reconciliation**

Particulars	Opening	Recognised in profit and loss	Closing
Property, Plant and Equipment	(6,369.13)	5,655.46	(713.67)
Employee benefits	2.81	2.04	4.85
<b>As at March 31, 2019</b>	<b>(6,366.32)</b>	<b>5,657.50</b>	<b>(708.82)</b>
Property, Plant and Equipment	(713.67)	(200.08)	(913.75)
Employee benefits	4.85	1.13	5.98
Lease Liability	-	2.99	2.99
<b>As at March 31, 2020</b>	<b>(708.82)</b>	<b>(195.96)</b>	<b>(904.78)</b>

During the previous year the Company has decided not to claim accelerated depreciation before the tax authorities on its assets related to Power Generation. Accordingly it has made suitable changes to its claim before the Tax Authorities and modified its Written Down Value as per Tax Books. On account of the same, the Company has reversed the Deferred Tax Liability recognized earlier due to the accelerated claim of depreciation. The reversal on this account is Rs.5,657.50 lakhs as at March 31, 2019 out of the cumulative movement of Rs. 6,369.13 lakhs as on March 31,2018.

**23 Earnings Per Share ('EPS') :**

**Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:**

	2019-20	2018-19
Net Profit / (Loss) as per Statement of Profit and Loss	(2,471.98)	4,461.76
Outstanding equity shares at period end	4,79,20,000	4,79,20,000
Weighted average Number of Shares outstanding during the period – Basic	4,79,20,000	4,79,20,000
Weighted average Number of Shares outstanding during the period - Diluted	4,79,20,000	4,79,20,000
Earnings per Share - Basic/Diluted (Rs.)	(5.16)	9.31

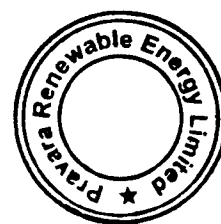
**Reconciliation of weighted number of outstanding during the period:**

	2019-20	2018-19
Nominal Value of Equity Shares (Rs per share)	10.00	10.00
<b>For Basic EPS :</b>		
Total number of equity shares outstanding at the beginning of the period	4,79,20,000	4,79,20,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	4,79,20,000	4,79,20,000
Weighted average number of equity shares at the end of the period	4,79,20,000	4,79,20,000

Company has not issued any instrument which will dilute the earning of equity shareholders, therefore Basic EPS and Diluted EPS both are the same.

**24 Disclosure in accordance with Ind AS – 116 “Leases”, of the Companies (Indian Accounting Standards) Rules, 2015.**

- i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the lease liability are recognized based on incremental borrowing rate on the initial application date (01.04.2019) and same amount are recognized for ROU assets.
- ii) This has resulted in recognising a right-of-use asset and a corresponding lease liability of Rs 308.56 lacs. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Accordingly, during the year ended March 31, 2020, Rs. 42.52 lakhs has been accounted as Finance Cost and Rs. 14.27 as amortisation against the lease rentals of Rs. 45.28 lakhs that would have been accounted had the company continued to apply the previous lease accounting standard.



## Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

- iii) The following is the summary of practical expedients Elected on initial application:
- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
  - Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
  - Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
  - Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
  - Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.
  - The Company has elected, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

A) For changes in the carrying value of right of use assets for the year ended March 31, 2020 Refer Note 4

B) The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

Particulars	March 31, 2020
Less than one year	45.29
One to five years	226.44
More than five years	664.22
<b>Balance as at March 31, 2020</b>	<b>935.95</b>

C) The following is the movement in lease liabilities during the year ended March 31, 2020

Particulars	March 31, 2020
Balance at the beginning	-
Addition in liability during the year	308.57
Interest on lease liabilities	42.52
Discharge of lease liabilities	(45.29)
<b>Balance as at March 31, 2020</b>	<b>305.80</b>

Disclosure in accordance with Ind AS – 17 “Leases” (Previous year note)

**Operating Lease:**

**A Office at Prabhadevi**

The Company has taken offices premises under leave and license agreements. it is under 3 years leave and license basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent account.

The lease agreement has expired on March 31, 2019 and since the balance sheet date the company is in negotiation for renewal of agreement which has not yet materialised and accordingly there are no future minimum committed lease rentals.

(\* ) For the year April 2018 to March 2019, Rent will be mutually decided which shall not be below 9.25 lakhs and shall not exceed Rs. 11.10 lakhs.

**B Land lease at Pravaranagar**

The Company has taken land on lease under Project Development Agreement entered with from Karkhana for Cogeneration facility, bagasse storage area, water reservoir and for staff colonies and allied purposes for 25 years from the commencement of operation. Lease has been taken at annual lease charges of Rs 45.29 lakhs. The lease payments are recognized in the Statement of Profit and Loss under Rent account.

	March 31, 2019
Payable not later than one year	18.87
Payable between one to five years	75.48
Payable after five years	268.11
<b>Total</b>	<b>362.46</b>

In accordance with arrangement as stated in Note 11.1(b) the Kharkhana has stopped charging Lease Rentals from November 2018 since it is incharge of the operations and on the other hand it is entitled to payments as well.

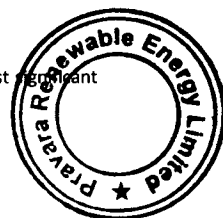
During the year ended March 2019 the Company has paid lease rentals based on the usage of land provided by Karkhana and hence lease payments are limited to usage made during the year.

**25 Significant accounting judgments, estimates and assumptions**

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgments**

In the process of applying the company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the separate financial statements.



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Notes to financial statements as at and for the year ended March 31, 2020

(All the figures are Rupees in lakhs unless otherwise stated)

**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Defined benefit plans (gratuity benefits)**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

**26 Financial instruments**

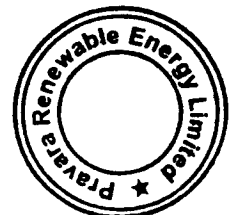
The carrying value and fair value of financial instruments by categories as at March 31, 2020 & March 31, 2019 is as follows:

	Carrying value	Fair value	Carrying value	Fair value
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
<b>Financial assets</b>				
<b>Amortized cost:</b>				
Loans and advances	125.68	125.68	125.68	125.68
Trade receivables	1,359.80	1,359.80	6,039.69	6,039.69
Cash and bank balances	215.69	215.69	53.08	53.08
Others	9.69	9.69	319.60	319.60
	<b>1,710.86</b>	<b>1,710.86</b>	<b>6,538.05</b>	<b>6,538.05</b>
<b>Financial liabilities</b>				
<b>Amortized cost</b>				
Long term borrowings	10,477.34	10,477.34	12,604.01	12,604.01
Short term borrowings	5,983.69	5,983.69	6,357.27	6,357.27
Trade payable	2,467.37	2,467.37	6,252.39	6,252.39
Others	7,214.52	7,214.52	5,074.55	5,074.55
	<b>26,142.92</b>	<b>26,142.92</b>	<b>30,288.22</b>	<b>30,288.22</b>

The management assessed that fair value of cash, short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**27 Contingent liabilities**

	March 31, 2020	March 31, 2019
Disputed income Tax demand against which the Company has preferred appeals	3,642.39	-
Claims against the company not acknowledged as debt	1,378.02	1,286.35



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**Notes to financial statements as at and for the year ended March 31, 2020**

(All the figures are Rupees in lakhs unless otherwise stated)

**28 Disclosure in accordance with Ind AS – 108 “Operating Segments”, of the Companies (Indian Accounting Standards) Rules, 2015.**

The Company’s operations constitutes a single business segment namely “Power Generation” as per Ind AS 108. Further, the Company’s operations are within single geographical segment which is in the state of Maharashtra, India. As such, there is no separate reportable segment under Ind AS - 108 on Operating Segments.

**Entity level disclosure as required in IND AS 108**

**a) Major products**

The Companies major products are Power, Steam and fuel and revenue from the same during the period is Rs 3,224.32 lakhs (Previous period: Rs 6,296.38 lakhs).

**b) Major Customer**

Name of Customer	2019-20		2018-19	
	Amount (Rs.)	%	Amount (Rs.)	%
Maharashtra State Electricity Distribution Company Limited	2,279.04	70.68%	5,019.68	79.92%
Padmashri Dr.Vithalrao Vikhe Patil Sahakari Sakhar Karkhana Ltd.	945.28	29.32%	1,260.94	20.08%

**c) Information about Geographical areas**

Company’s operation are confined in the state of Maharashtra only. All its revenue are generated in the said geographical location.

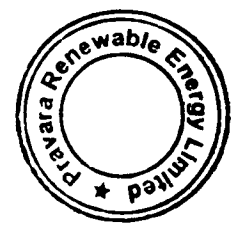
**29 Disclosure in accordance with Ind AS - 24 “Related Party Disclosures”, of the Companies ( Indian Accounting Standards) Rules, 2015**

**a) Name of the related parties and related party relationships**

- 1.Gammon India Limited-Ultimate Holding Company (Upto 7th September 2017)
- 2.Gammon India Limited-Entities having significant influence (W.e.f 8th September 2017)
- 3.Gammon Infrastructure Projects Limited-Holding Company
- 4.Sidhi Singrauli Roads Projects Limited-Fellow Subsidiary
- 5.Patna Highway Projects Limited-Fellow Subsidiary

**Related party transactions**

Transactions	Entities having significant influence	Ultimate Holding Company	Holding Company	Fellow subsidiaries
<b>Expense/Liability incurred on behalf of the Company by:</b>				
Gammon Infrastructure Projects Limited	-	-	194.44 (277.09)	-
<b>Payment for expense incurred on behalf of Company to :</b>				
Gammon Infrastructure Projects Limited	-	-	40.67 (113.57)	-
<b>Inter corporate borrowings from:</b>				
Gammon Infrastructure Projects Limited	-	-	0.25 (16.60)	-
<b>Refund of inter corporate borrowings taken from:</b>				
Gammon Infrastructure Projects Limited	-	-	54.35 -	-
<b>Outstanding Loan Balance along with interest payable to:</b>				
Gammon Infrastructure Projects Limited-Capital Contribution	-	-	1,916.35 (1,916.35)	-
<b>Outstanding Intercorporate Deposits payable to:</b>				
Gammon Infrastructure Projects Limited	-	-	2,444.48 (2,498.58)	-
<b>Rent expenses incurred on behalf of company</b>				
Gammon Infrastructure Projects Limited	-	-	27.75 (55.50)	-
Sidhi Singrauli Roads Projects Limited	-	-	-	27.75 (27.75)
<b>Expenses incurred on behalf of company</b>				
Sidhi Singrauli Roads Projects Limited	-	-	-	0.65 (1.89)
<b>Provision made towards expected credit loss</b>				
Sidhi Singrauli Roads Projects Limited	-	-	-	57.11
Gammon India Limited	123.54	-	-	-
	-	-	-	-



**PRAVARA RENEWABLE ENERGY LIMITED**

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**Notes to financial statements as at and for the year ended March 31, 2020**

(All the figures are Rupees in lakhs unless otherwise stated)

<b>Outstanding balance receivable from</b>				
Sidhi Singrauli Roads Projects Limited	-	-	-	57.11
	-	-	-	(41.47)
Gammon India Limited	123.54	-	-	-
	(123.54)	-	-	-
<b>Outstanding balance payable to</b>				
Gammon Infrastructure Projects Limited	-	-	(1,114.31)	-
	-	-	(991.16)	-
Patna Highway Project Ltd	-	-	-	73.00
	-	-	-	(73.00)

(Previous period's figure in brackets)

**30 Derivative Instruments and Unhedged Foreign Currency Exposure**

There are no derivative instruments and no foreign currency exposure outstanding as on March 31, 2020 and as on March 31, 2019.

**31 Financial risk management objectives and policies**

The Company is into the business of Generation of electricity. Therefore its major consumer are state owned power distribution companies. Company has commenced its generation facility in November 2015. Further company's generation facility has major input in the form of bagasse (seasonal item) and coal. Generation of electricity by using coal has started in financial year 2016-17. Company has huge outstanding borrowing which were taken for capital expenditure and the same will be repaid by funds which will be generated from the operations. Therefore Company's operation and financial stability is affected by various factor such as availability and pricing of raw materials, demand and tariff of power, interest rate, etc.

The Company's senior management is supported by an appropriate financial and operation risk governance framework for the Company which provides assurance to the Company's senior management that the Company's financial risk and operation risk activities are governed by appropriate policies and procedures and that financial and operation risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**a) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not affected by credit risk as all its major customer is state owned power companies and Karkhana with whom it has entered into Project Development Agreement (PDA) as PDA include several recovery measures.

**b) Liquidity risk**

Liquidity risk is risk that Company will have insufficient liquidity in hands to payback its instalments to banks and trade liabilities falling for payment within the near future.

Company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations. Company has outstanding borrowings of Rs. 20,190.89 lakhs as on March 31, 2020 and Rs 21,869.18 lakhs as on March 31, 2019.

If timely payments do not come from the Customers the liquidity becomes an issue for funding the procurement of bagasse and coal.

**c) Market risk**

**i) Foreign currency risk**

Foreign exchange risk arise from future commercial transactions and recognised assets and liabilities denominated in a currency that is not Company's function currency.

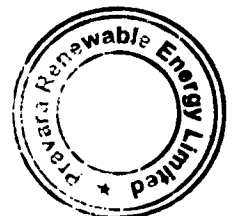
Company has no commercial transaction or has no assets and liabilities denominated in foreign currency. Therefore, Company is neutral to the change in foreign exchange fluctuation risk.

**ii) Commodity risk**

Commodity risk is risk that arise from change in the price of input raw materials and output which will have impact on the profit and loss of the Company.

The major raw material for the generation of power is bagasse. Bagasse is presently procured from Karkhana at an agreed price in return for supply of power. In non-seasonal period of crushing the bagasse generated by Karkhana is not sufficient and to procure bagasse from outside source at competitive price is difficult. The transportation of bagasse which is a bulky item makes the landed cost very high for such procurement. The Company also uses coal as its fuel and is exposed to changes in price of coal.

Sensitivity	Effect on profit before tax	
	Coal	Power
The following table shows the effect of price changes		
Change in Assumption		
March 31, 2020	5%	5%
March 31, 2019	5%	5%
Increase in Assumption		
March 31, 2020	0.00	113.95
March 31, 2019	(5.44)	250.98
Decrease in Assumption		
March 31, 2020	0.00	(113.95)
March 31, 2019	5.44	(250.98)



**PRAVARA RENEWABLE ENERGY LIMITED**

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**Notes to financial statements as at and for the year ended March 31, 2020**

(All the figures are Rupees in lakhs unless otherwise stated)

**iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short term borrowing with floating interest rates.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effect on profit before tax
31-Mar-20		
Interest Rate	+100	(201.91)
	-100	201.91
31-Mar-19		
Interest Rate	+100	(218.69)
	-100	218.69

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

**32 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Gross Debt	12,585.34	14,329.73
Less: Cash and Cash Equivalents	215.69	53.08
Net debt (A)	12,369.65	14,276.65
Total Equity (B)	(3,467.25)	(973.78)
Gearing ratio	(3.57)	(14.66)

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

**33 Material Uncertainty relating to Going Concern**

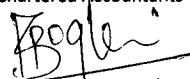
The viability of the project and the ability to continue as a going concern depends upon the ability of the Company to procure the Baggasse at a reduced price from the Karkhana under the arrangement to supply them power in return. In view of the pending settlement between the Company and Karkhana, the availability of adequate Baggasse to run the plant at optimum capacity is a matter of significant uncertainty. The use of coal as an alternate fuel has other issues of cost and operations. Presently the power plant is shut due to want of fuel. The lenders also are not providing funding for the procurement of the inventory for the running of the plant. All these conditions indicate a material uncertainty in the Company's ability to continue as a going concern. The management however is hopeful of resolving the issues and accordingly these financials are prepared on a going concern basis.

**34 Comparative periods**

Previous period figures are regrouped / reclassified wherever required.

As per our report of even date


For Natvarlal Vepari and Co.  
ICAI Firm Registration No. : 106971W  
Chartered Accountants

  
Pratik Boghani

Partner  
Membership No : 183338  
Mumbai  
Dated: 30th July 2020



For and on behalf of the Board of Directors of  
Pravara Renewable Energy Limited |

  
Naresh Sasanwar  
Director  
DIN:01861034

  
Hemant Chandel  
Director  
DIN:07473472

