# PRAVARA RENEWABLE ENERGY LIMITED

## DIRECTORS' REPORT

To
The Members,
**Pravara Renewable Energy Limited**

Your Directors have pleasure in presenting their Eleventh Annual Report together with the Audited Financial Statements and the Auditors Report for the financial year ended 31st March, 2019 ("**Financial Year**").

### 1 PROJECT STATUS:

The Company had undertaken a project for design, construction, finance and operation of a 30 MW co-generation power project on BOOT basis with Padmashri Dr. Vitthalrao Vikhe Patil Sahakari Karkhana Limited ("**Karkhana**") in Pravara Nagar Maharashtra (the "**Project**"). The Karkhana is a co-operative sugar factory registered under the provisions of the Maharashtra Co-operative Societies Act, 1960.

The Project completed the testing of coal as additional fuel and the initial reports are encouraging for sustained operations with coal as supplementary fuel, in addition to the bagasse supplied by sugar factory. Your Company expects to operate the plant at optimum level with sustainable fuel mix.

During the Financial Year, the Company has exported 75.57 million units to Grid and 28.80 million units to Karkhana and generated total revenue of Rs. 63.18 Crores from operations. The total capitalisation of the Project is Rs. 274 Crores as on 31st March, 2019.

On 30th October 2018, the Company signed an arrangement with Karkhana from November 2018 to October 2019 for operation & maintenance of the power plant with Minimum Guaranteed Amount of Rs 48 Crores (net) towards the modified arrangement, which is payable to PREL by Karkhana in the Company's Escrow Account including waterfall mechanism to be adhered to during the period of modified arrangement with Karkhana with an option to extend the period by mutual consent for improving the performance of the co-gen power plant and better arrangement of bagasse / fuel. This said arrangement is expected to be a win-win option for the Company and Karkhana to realize optimal operational efficiencies. The operations of the Plant has commenced in full flow under the modified arrangement.

### 2 FINANCIAL RESULTS

(Rs. in Lakhs)

| **Particulars** | **FYE 31st March 2019** | **FYE 31st March 2018** |
|---|---|---|
| Total Income | 6,318.36 | 5,838.12 |
| Profit / (Loss) before Tax | (1,195.73) | (2,165.12) |
| Tax Expenses | (5,657.50) | 656.89 |
| **Profit / (Loss) after Tax** | **4,461.77** | **(2,821.98)** |

### 3 SHARE CAPITAL

As on 31st March 2019, the Authorised Share Capital of the Company is Rs. 48,00,00,000/- divided into 4,80,00,000 equity shares of Rs. 10/- each and the paid up share capital is Rs. 47,92,00,000/- divided into 4,79,20,000 equity shares of Rs. 10/- each.

During the Financial Year, the Company has not granted any stock option or sweat equity.

| | |
|---|---|
| 4 | **DIVIDEND** |
| | On account of the insufficient profits incurred during the Financial Year, your Directors express their inability to recommend any dividend for the Financial Year. |
| 5 | **RESERVES** |
| | No amount is transferred to any reserves. |
| 6 | **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL** |
| | **BOARD OF DIRECTORS**<br>Mr. Naresh Sasanwar was appointed as an additional director w. e. f. 1st October 2018. Mr. Sasanwar shall hold office as such up to the date of ensuing Annual General Meeting ("**AGM**"). The Directors have, at their Meeting held on 29th August 2019, recommended the appointment of Mr. Naresh Sasanwar as Director of the Company at the ensuing AGM of the Company.<br><br>In accordance with the provisions of the Companies Act, 2013, Mr. Mineel Mali retires by rotation at the next AGM and has offered herself for re-appointment. Mr. Sanjay Chaudhary resigned as director of the Company w.e.f. 22nd November 2018.<br><br>Presently, the Board of Directors comprises of Mr. Hemant Chandel, Mr. Mineel Mali and Mr. Naresh Sasanwar.<br><br>**KEY MANAGERIAL PERSONNEL (KMP)**<br>Mr. Vijay Tanhaji Patil resigned as the Chief Executive Officer of the Company with effect from 11th April 2018.<br><br>Mr. Kaushik Chaudhuri, Mr. Hemant Chandel and Mr. Nirav Shah were appointed as Chief Financial Officer, Manager and Company Secretary respectively of the Company w.e.f. 10th April 2019 and resigned from their offices w.e.f. 16th April 2019.<br><br>Remuneration Policy for Directors, KMPs and other employees including criteria for determining qualifications, positive attributes and independence of a director are yet to be formulated. |
| 7 | **MEETINGS OF THE BOARD** |
| | During the Financial Year, 6 (Six) Board Meetings were duly held on 11th April 2018, 12th June 2018, 4th September 2018, 29th September 2018, 15th October 2018 and 22nd January 2019. The intervening gap between the Meetings was not more than 120 days as prescribed under the Companies Act, 2013. Details of attendance by each Director at the said Board meetings are as under: |

| Name of Directors | Board Meetings attended during the Financial Year |
|---|---|
| Mr. Mineel Mali | 3 |
| Mr. Hemant Chandel | 6 |
| *Mr. Naresh Sasanwar | 2 |
| **Mr. Sanjay Chaudhary | 3 |

*Mr. Naresh Sasanwar was appointed as an additional director w. e. f. 1st October 2018
##Mr. Sanjay Chaudhary resigned as a director w. e. f. 22nd November 2018

| | |
|---|---|
| 8 | **DIRECTORS' RESPONSIBILITY STATEMENT** |
| | Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that: |

| | |
|---|---|
| | a. in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any; |
| | b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit of the Company for that period; |
| | c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities; |
| | d. the Directors had prepared the annual accounts on a going concern basis; and |
| | e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. |
| 9 | **PARTICULARS OF EMPLOYEES** |
| | There are no particulars to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in terms of remuneration criteria prescribed thereunder. |
| 10 | **DISCLOSURE ON WOMEN AT WORKPLACE** |
| | As there are no women employees, the Company was not required to formulate a policy on prevention of sexual harassment at workplace pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. |
| 11 | **STATUTORY AUDITOR & AUDITOR'S REPORT** |
| | **STATUTORY AUDITORS:**<br>At the 8th AGM of the Company convened on 22nd June 2016, M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration no.: 106971W), had been appointed as the statutory auditors of the Company until the conclusion of the next AGM of the Company.<br><br>Amended provisions of Section 139 of the Act vide Companies (Amendment) Act, 2017 notified from 7th May, 2018 no longer requires ratification of appointment of Auditors by members at every subsequent AGM. In view of this, the appointment of Auditors' is not proposed for ratification at ensuing AGM.<br><br>**AUDITORS REPORT:**<br>It is clarified that the matters covered in the Auditors' Report together with relevant notes in the Notes to Accounts are self-explanatory. |
| 12 | **COST AUDITOR** |
| | The Board has appointed Mr. R. Srinivasaraghavan, Cost Accountant, Pune (Firm's Registration No. 100537) as Cost Auditor of the Company for conducting Cost Audit of your Company for the financial year 2019-20.<br><br>The Company is required to maintain Cost Records as specified by the Central Government under Section 148(1) of the Act and accordingly, such accounts and records are made and maintained by the Company. |
| 13 | **CHANGE IN THE NATURE OF BUSINESS** |
| | There has been no change in the nature of business during the Financial Year. |
| 14 | **SUBSIDIARIES / ASSOCIATES / JOINT VENTURES** |
| | The Company does not have any subsidiary / associate or Joint Venture. |

| | |
|---|---|
| 15 | **EXTRACT OF ANNUAL RETURN** |
| | The details forming part of the extracts of Annual Return in **Form MGT-9** as per Section 92 of the Companies Act, 2013 is annexed herewith as **Annexure 'A'**. |
| 16 | **DEPOSITS** |
| | The Company has not accepted any deposits covered under Chapter V of the Act. |
| 17 | **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY** |
| | The Company has not made any loans, guarantees or investments as covered under Section 186 of the Companies Act, 2013. |
| 18 | **RELATED PARTY TRANSACTIONS** |
| | The Company has not made any related party transactions covered under the provisions of section 188 of the Companies Act, 2013 hence prescribed **Form AOC-2** is not applicable. |
| 19 | **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS** |
| | There are no significant / material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. |
| 20 | **CORPORATE SOCIAL RESPONSIBILITY (CSR)** |
| | CSR related provisions of the Companies Act, 2013 do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard. |
| 21 | **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND** |
| | Your Company does not have any amount/ shares due to be transferred to Investor Education and Protection Fund. |
| 22 | **SECRETARIAL STANDARDS** |
| | The Company complies with all applicable secretarial standards. |
| 23 | **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO** |
| | **(A) Conservation of energy-**<br>(i) the steps taken or impact on conservation of energy: The Company has incorporated the energy efficiency system like Variable Frequency Drives to all the motors which will reduce the auxiliary power consumption.<br>(ii) the steps taken by the company for utilising alternate sources of energy: The Company itself is operating renewable energy and hence, no plan for alternate sources of energy.<br>(iii) the capital investment on energy conservation equipment's: Rs. 15 Crores<br><br>**(B) Technology absorption-**<br>(i) the efforts made towards technology absorption: The Project has successfully completed the three operation years with average generation of power at 80% capacity utilization and is exploring the other available biomass fuels in surrounding area for maximum utilization of capacity and technology with different fuel mix configuration.<br>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Observations are in Process<br>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable since the project is 100% indigenous project.<br>(a) the details of technology imported: Not Applicable<br>(b) the year of import: Not Applicable<br>(c) whether the technology been fully absorbed: Not Applicable |

| | |
|---|---|
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable<br>(iv) the expenditure incurred on Research and Development: Nil. The plant operated by the Company is standard proven Boiler-Turbo Generator (BTG) System which needs proper operation & maintenance.<br><br>(C) Foreign exchange earnings and Outgo -<br>Foreign Exchange earned in terms of actual inflows during the year: Nil<br>Foreign Exchange outgo during the year in terms of actual outflows: Nil |
| 24 | **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:** |
| | No material change and commitments affecting financial position of the Company occurred between the end of Financial Year and the date of this report. |
| 25 | **INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY** |
| | Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls in place to ensure safeguarding of its assets, prevention of frauds and errors, protection against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported diligently in the Financial Statements. |
| 26 | **RISK MANAGEMENT POLICY** |
| | The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like markets related, supply / logistics related, debtors' collections, Government policy related matters that may threaten the existence of the Company. |
| 27 | **ACKNOWLEDGEMENT** |
| | The Directors would like to place on record their appreciation for the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Bankers, Suppliers and Customers for their continuous support to the Company. |

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

Hemant Chandel
Director
DIN – 07473472

Naresh Sasanwar
Director
DIN – 01861034

Place: Mumbai

Dated: 29th August 2019

| FORM NO. MGT 9 |
|---|
| EXTRACT OF ANNUAL RETURN |
| as on financial year ended on 31-03-2019 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014 |

## I REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| i | CIN | U45202MH2008PLC185428 |
| ii | Registration Date | August 4, 2008 |
| iii | Name of the Company | Pravara Renewable Energy Limited |
| iv | Category / Sub-category of the Company | Company Limited by Shares |
| v | Address of the Registered office & contact details | 502, Floor 5, Plot 952 / 954, Orbit Plaza CHS, New Prabhadevi Road, Nagusayajiwadi, Prabhadevi, Mumbai - 400 025<br>Tel. no.: 022-67487200<br>Email: prel@gammoninfra.com |
| vi | Whether listed company | No |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Not Applicable |

## II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products / services | NIC Code of the Product /service | % to total turnover of the company |
|---|---|---|---|
| | | | |
| 1 | Electric power generation using other non conventional sources | 35106 | 96.92% |
| | | | |

## III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| SI No | Name & Address of the Company | CIN / GLN | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Gammon Infrastructure Projects Limited<br>Reg. Office: Gammon House,<br>Veer Savarkar Marg,<br>Prabhadevi, Mumbai - 400025 | L45203MH2001 PLC131728 | Holding Company | 100.00% | 2 (46) |
| | | | | | |

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category-wise shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year (01-Apr-2018) | | | | No. of Shares held at the end of the year (31-Mar-2019) | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoters** | | | | | | | | | |
| | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Central Govt.or State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corporates | 47919994 | 6 | 47920000 | 100.00 | 47919994 | 6 | 47920000 | 100.00 | 0.00 |
| d) Bank/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **SUB TOTAL:(A) (1)** | **47919994** | **6** | **47920000** | 100.00 | **47919994** | **6** | **47920000** | 100.00 | 0.00 |
| | | | | | | | | | |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **SUB TOTAL (A) (2)** | **0** | **0** | 0 | 0.00 | 0 | **0** | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **Total Shareholding of Promoter (A)= (A)(1)+(A)(2)** | **47919994** | **6** | **47920000** | 100.00 | **47919994** | **6** | **47920000** | 100.00 | 0.00 |
| | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Central govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIIS | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **SUB TOTAL (B)(1):** | **0** | **0** | **0** | 0.00 | **0** | **0** | **0** | 0.00 | 0.00 |
| | | | | | | | | | |
| **(2) Non Institutions** | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **SUB TOTAL (B)(2):** | **0** | **0** | **0** | 0.00 | **0** | **0** | **0** | 0.00 | 0.00 |
| | | | | | | | | | |
| **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **0** | **0** | **0** | 0.00 | **0** | **0** | **0** | 0.00 | 0.00 |
| | | | | | | | | | |
| **C. Shares held by Custodian for GDRs & ADRs** | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **Grand Total (A+B+C)** | **47919994** | 6 | **47920000** | **100.00** | **47919994** | 6 | **47920000** | **100.00** | **0.00** |

(ii) **SHARE HOLDING OF PROMOTERS**

| Sl No. | Shareholders Name | Shareholding at the beginning of the year (01-Apr-2018) | | | Shareholding at the end of the year (31-Mar-2019) | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | Gammon Infrastructure Projects Limited | 47,920,000 | 100.00 | 0.00 | 47,920,000 | 100.00 | 0.00 | 0.00 |
| | | | | | | | | |
| | | | | | | | | |
| | **Total** | **47,920,000** | **100.00** | **0.00** | **47,920,000** | **100.00** | **0.00** | **0.00** |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

| Sl. No. | | Shareholding at the beginning of the Year (01-Apr-2018) | | Cumulative Shareholding during the year (31-Mar-2019) | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the company | No of shares | % of total shares of the company |
| Gammon Infrastructure Projects Limited | | | | | |
| At the beginning of the year | | 47920000 | 100.00 | 47920000 | 100.00 |
| Date-wise increase / decrease in shareholding during the year | | 0 | 0.00 | 0 | 0.00 |
| At the end of the year | | 47920000 | 100.00 | 47920000 | 100.00 |

(iv) Shareholding Pattern of top ten Shareholders
(other than Directors, Promoters & Holders of GDRs & ADRs)

| Sl. No | | Shareholding at the beginning of the Year (01-Apr-2018) | | Cumulative Shareholding during the year (31-Mar-2019) | |
|---|---|---|---|---|---|
| | For Each of the Top 10 Shareholders | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| At the beginning of the year | | 0 | 0.00 | 0 | 0.00 |
| Date wise increase / decrease in shareholding during the year | | 0 | 0.00 | 0 | 0.00 |
| At the end of the year | | 0 | 0.00 | 0 | 0.00 |

(v) Shareholding of Directors & KMP

| Sl. No | | Shareholding at the beginning of the Year (01-Apr-2018) | | Cumulative Shareholding during the year (31-Mar-2019) | |
|---|---|---|---|---|---|
| | For Each of the Directors & KMP | No.of shares | % of total shares of the company | No of shares | % of total shares of the company |
| At the beginning of the year | | 0 | 0.00 | 0 | 0.00 |
| Date wise increase / decrease in shareholding during the year | | 0 | 0.00 | 0 | 0.00 |
| At the end of the year | | 0 | 0.00 | 0 | 0.00 |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding / accrued but not due for payment | | | | |
|---|---|---|---|---|
| | | | | (Rs. in Lakhs) |
| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| Indebtness at the beginning of the financial year (01-Apr-2018) | | | | |
| i) Principal Amount | 19,785.06 | 2,481.98 | 0.00 | **22,267.04** |
| ii) Interest due but not paid | 773.20 | 25.47 | 0.00 | **798.67** |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | **0.00** |
| **Total (i+ii+iii)** | **20,558.26** | **2,507.45** | **0.00** | **23,065.71** |
| | | | | |
| **Change in Indebtedness during the financial year** | | | | |
| Additions | 0.00 | 0.00 | 0.00 | **0.00** |
| Reduction | 991.72 | 8.87 | 0.00 | **1,000.59** |
| **Net Change** | **-991.72** | **-8.87** | **0.00** | **-1,000.59** |
| | | | | |
| **Indebtedness at the end of the financial year (31-Mar-2019)** | | | | |
| i) Principal Amount | 19,370.61 | 2,498.58 | 0.00 | **21,869.19** |
| ii) Interest due but not paid | 195.93 | 0.00 | 0.00 | **195.93** |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | **0.00** |
| **Total (i+ii+iii)** | **19,566.54** | **2,498.58** | **0.00** | **22,065.12** |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. **Remuneration to Managing Director, Whole time director and/or Manager:**

| Sl.No | Particulars of Remuneration | Name of the MD / WTD / Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | | | | |
| 1 | **Gross salary** | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | 0.00 | | | 0.00 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 0.00 | | | 0.00 |
| | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0.00 | | | 0.00 |
| 2 | Stock option | 0.00 | | | 0.00 |
| 3 | Sweat Equity | 0.00 | | | 0.00 |
| 4 | Commission | | | | |
| | as % of profit | 0.00 | | | 0.00 |
| | others (specify) | 0.00 | | | 0.00 |
| 5 | Others, please specify | 0.00 | | | 0.00 |
| | **Total (A)** | 0.00 | | | 0.00 |
| | **Ceiling as per the Act** | | | | |

B. **Remuneration to other directors:**

| Sl.No | Particulars of Remuneration | Name of the Directors | | | Total Amount |
|---|---|---|---|---|---|
| 1 | Independent Directors | | | | |
| (a) Fee for attending board / committee meetings | | NIL | | | |
| (b) Commission | | | | | |
| (c ) Others, pls. specify | | | | | |
| Total (1) | | | | | |
| 2 | Other Non Executive Directors | **Name of the Directors** | | | **Total Amount** |
| (a) Fee for attending board / committee meetings | | NIL | | | |
| (b) Commission | | | | | |
| (c ) Others, please specify. | | | | | |
| **Total (2)** | | | | | |
| **Total (B)=(1+2)** | | | | | |
| **Total Managerial Remuneration** | | NIL | | | |
| **Overall Ceiling as per the Act** | | | | | |

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | Total |
|---|---|---|---|
| | | | |
| 1 | **Gross Salary** | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 0 | **0** |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 0 | **0** |
| | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | **0** |
| 2 | Stock Option | 0 | **0** |
| 3 | Sweat Equity | 0 | **0** |
| 4 | Commission | | |
| | - as % of profit | 0 | **0** |
| | - others, specify | 0 | **0** |
| 5 | Provident Fund | 0 | **0** |
| | | | |
| | **Total** | **0** | **0** |

VII **PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

NIL

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority (RD / NCLT / Court) | Appeal made if any (give details) |
|---|---|---|---|---|---|
| | | | | | |
| **A. COMPANY** | | | | | |
| | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |
| **B. DIRECTORS** | | | | | |
| | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

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

Name: Hemant Chandel
Designation: Director
DIN: 07473472

Name: Naresh Sasanwar
Designation: Director
DIN: 01861034

Place: Mumbai

Date: 29th August 2019

*Natvarlal Vepari & Co.*
**CHARTERED ACCOUNTANTS**
Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • 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, 2019, 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, 2019, its profit (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.

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**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.

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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, 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.

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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.

**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:

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

NATVARLAL VEPARI & CO. MUMBAI CHARTERED ACCOUNTANTS

*Natvarlal Vepari & Co.*
**CHARTERED ACCOUNTANTS**
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d. 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.

e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended In our opinion and to the best of our information and according to the explanations given to us, 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.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the standalone financial statements;

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

   k. 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

Nuzhat

Nuzhat Khan
Partner
M. No. 124960
Mumbai, Dated: 21 MAY 2019

NATVARLAL VEPARI & CO. ★ Mumbai ★ CHARTERED ACCOUNTANTS

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## 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

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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.

(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, 2019 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 no 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.

(viii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has defaulted in repayment of principal of Rs.1,182.19 lakhs and interest of Rs.169.71 lakhs to banks as mentioned in Note 9.1(c) and Note 9.2(c) to the Financial Statements. The Company did not have any dues to Government and 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 employees has been noticed or reported during the year.

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(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

Nuzhat

Nuzhat Khan
Partner
Membership No. 124960
Mumbai, Dated: 27 MAY 2019

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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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, 2019 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

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Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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.

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**CHARTERED ACCOUNTANTS**
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**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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nuzhat

Nuzhat Khan
Partner
M. No. 124960
Mumbai, Dated: 27 MAY 2019

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

PRAVARA RENEWABLE ENERGY LIMITED
CIN: U45202MH2008PLC185428
BALANCE SHEET AS AT MARCH 31, 2019
(All amounts are Rupees in lakhs unless otherwise stated)

| Particulars | Note Ref. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| **(A) Non-current assets** | | | |
| (a) Property, Plant and Equipment | 2 | 22,806.25 | 24,161.28 |
| (b) Capital Work-in-Progress | | - | - |
| (c) Financial Assets | | | |
| (i) Loans | 3.2 | 125.68 | 118.38 |
| (d) Other Non-current assets | 4 | 347.26 | 334.29 |
| **Total Non - Current Assets (A)** | | **23,279.19** | **24,613.95** |
| **(B) Current Assets** | | | |
| (a) Inventories | 5 | 321.59 | 54.00 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 3.1 | 6,039.69 | 4,790.77 |
| (ii) Cash and Cash Equivalents | 6 | 53.08 | 201.06 |
| (iii) Others | 3.3 | 319.59 | 15.46 |
| (c) Other Current assets | 4 | 64.41 | 60.42 |
| **Total Current Assets (B)** | | **6,798.36** | **5,121.70** |
| **Total Assets (A+B)** | | **30,077.55** | **29,735.65** |
| **EQUITY & LIABILITIES** | | | |
| **(A) Equity** | | | |
| (a) Equity Share capital | 7 | 4,792.00 | 4,792.00 |
| (b) Other Equity | 8 | (5,765.78) | (10,228.40) |
| **Total Equity (A)** | | **(973.78)** | **(5,436.40)** |
| **Liabilities** | | | |
| **(B) Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 9.1 | 12,604.01 | 14,328.18 |
| (b) Provisions | 10 | 39.45 | 27.86 |
| (c) Deferred tax liabilities (Net) | 11 | 708.82 | 6,366.32 |
| **Total Non-Current Liabilities (B)** | | **13,352.28** | **20,722.36** |
| **(C) Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 9.2 | 6,357.27 | 6,497.39 |
| (ii) Trade payables | | | |
| - Dues of Micro and Small Enterprise | 9.3 | - | - |
| - Dues of Other than Micro and Small Enterprise | 9.3 | 6,252.38 | 3,720.03 |
| (iii) Other financial liabilities | 9.4 | 5,074.55 | 4,218.95 |
| (b) Other current liabilities | 12 | 14.51 | 13.08 |
| (c) Provisions | 10 | 0.35 | 0.24 |
| **Total Current Liabilities (C)** | | **17,699.05** | **14,449.69** |
| **TOTAL EQUITY AND LIABILITIES (A+B+C)** | | **30,077.55** | **29,735.65** |

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

ICAI Firm Registration No. : 106971W
Chartered Accountants

Nuzhat

Natvarlal Vepari & Co. Mumbai Chartered Accountants

Nuzhat Khan
Partner
Membership No :124960
Mumbai
Dated: 27th May 2019

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

Naresh Sasanwar
Director
DIN:01861034

Hemant Chandel
Director
DIN:07473472

**PRAVARA RENEWABLE ENERGY LIMITED**
**CIN: U45202MH2008PLC185428**
**Statement of Profit and Loss for the year ended March 31, 2019**
**(All amounts are Rupees in lakhs unless otherwise stated)**

| | Particulars | Note Ref | 2018-19 | 2017-18 |
|---|---|---|---|---|
| I | Revenue from Operations ( Gross) | 13 | 6,296.38 | 5,658.42 |
| II | Other Income: | 14 | 21.98 | 179.70 |
| III | **Total Revenue (I + II )** | | **6,318.36** | **5,838.12** |
| IV | **Expenses:** | | | |
| | Cost of raw material consumed | 15 | 2,277.05 | 2,433.75 |
| | Employee Benefit Expenses | 16 | 172.82 | 181.57 |
| | Finance Cost | 17 | 2,573.76 | 2,813.70 |
| | Depreciation and amortisation expense | 2 | 1,356.91 | 1,336.82 |
| | Other Expenses | 18 | 1,133.55 | 717.37 |
| | **Total Expenses (IV)** | | **7,514.09** | **7,483.21** |
| V | **Profit/(Loss) Before exceptional items and Tax (III-IV)** | | **(1,195.73)** | **(1,645.09)** |
| VI | Exceptional Items | 19 | | 520.00 |
| VII | **Profit/(Loss) Before Tax (V-VI)** | | **(1,195.73)** | **(2,165.09)** |
| VIII | Tax Expense | 20 | (5,657.50) | 656.89 |
| | *1. Short Provision for Tax* | | - | - |
| | *2. Deferred Tax Liability reversed.* | | (5,657.50) | 656.89 |
| IX | **Profit/(Loss) for the year ( VII-VIII)** | | **4,461.77** | **(2,821.98)** |
| | **Other comprehensive income** | | | |
| | Re-measurement gains/ (losses) on defined benefit plans | | 0.86 | 0.96 |
| X | **Total comprehensive income** | | **4,462.63** | **(2,821.01)** |
| | Earnings per Share | 21 | | |
| | Basic | | 9.31 | (5.89) |
| | Diluted | | 9.31 | (5.89) |

As per our report of even date

For Natvarlal Vepari and Co.

ICAI Firm Registration No. : 106971W
Chartered Accountants

Nuzhat Khan
Partner
Membership No :124960

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

Mumbai
Dated: 27th May 2019

For and on behalf of the Board of Directors of

Pravara Renewable Energy Limited

Naresh Sasanwar
Director
DIN:01861034

Hemant Chandel
Director
DIN:07473472

PRAVARA RENEWABLE ENERGY LIMITED
CIN: U45202MH2008PLC185428
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019
(All amounts in Rupees in lakhs unless otherwise stated)

| Particulars | As at 31-Mar-19 | | As at 31-Mar-18 | |
|---|---|---|---|---|
| **A. Cash flow from operating activities:** | | | | |
| Net profit / (loss) before tax | | (1,195.73) | | (2,165.09) |
| **Adjusments:** | | | | |
| Provision for Insurance Claim | - | | 520.00 | |
| Interest Income on financial asset on amortised cost | (13.11) | | (14.01) | |
| Re-measurement impact on fair valuation | - | | 7.61 | |
| Interest Expense on financial assets at amortised cost | 2,549.10 | | 2,777.51 | |
| Other finance costs | 22.61 | | 28.58 | |
| Depreciation | 1,356.91 | | 1,336.82 | |
| | | 3,915.51 | | 4,656.51 |
| **Operating profit before working capital changes** | | **2,719.78** | | **2,491.42** |
| **Movements in working capital :** | | | | |
| (Decrease) / Increase in trade payables and other liabilities | 3,697.81 | | 2,180.03 | |
| Decrease / (increase) in inventories | (267.59) | | 814.04 | |
| Decrease / (increase) in Financial Assets | (1,553.09) | | (3,494.33) | |
| Decrease / (increase) in Non -Financial Assets | (8.65) | | (5.33) | |
| | | 1,868.48 | | (505.59) |
| **Cash (used in) / generated from the operations** | | **4,588.26** | | **1,985.83** |
| Direct taxes paid | | (8.33) | | (9.14) |
| **Net cash (used in) / generated from the operations** | | **4,579.94** | | **1,976.69** |
| **B. Cash flow from investment activities:** | | | | |
| Interest Income | 5.84 | | 1.92 | |
| Purchase of Property Plant and Equipments | (1.88) | | (9.66) | |
| | | 3.96 | | (7.74) |
| **Net cash (used in)/from investment activities** | | **3.96** | | **(7.74)** |
| **C. Cash flow from financing activities:** | | | | |
| Repayment of long term borrowings | (1,439.92) | | (815.30) | |
| Proceeds from Short Term Borrowings | 16.60 | | 924.17 | |
| Repayment of Short Term Borrowings | (156.73) | | - | |
| Finance cost paid | (3,151.84) | | (1,931.91) | |
| | | (4,731.90) | | (1,823.03) |
| **Net cash (used in)/from financing activities** | | **(4,731.90)** | | **(1,823.03)** |
| **Net increase / (decrease) in cash and cash equivalents** | | **(147.99)** | | **145.92** |
| Closing balance of cash and cash equivalents | | 53.09 | | 201.06 |
| Opening balance of cash and cash equivalents | | 201.06 | | 55.16 |
| **Net increase / (decrease) in cash and cash equivalents** | | **(147.98)** | | **145.90** |
| **Components of cash and cash equivalents** | | | | |
| Cash in hand | | 0.00 | | 0.02 |
| Bank Balance | | 53.08 | | 201.04 |
| Fixed deposit with banks for a period less than three months | | - | | - |
| **Total components of cash and cash equivalents** | | **53.09** | | **201.06** |

Note : Figures in brackets denote outflows.

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

As per our report of even date

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

Nuzhat Khan
Partner
Membership No :124960

Place:Mumbai
Dated: 27th May 2019

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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

Naresh Sasanwar
Director
DIN:01861034

Hemant Chandel
Director
DIN:07473472

**PRAVARA RENEWABLE ENERGY LIMITED**
**CIN: U45202MH2008PLC185428**
**Notes to financial statements for the year ended March 31, 2019**
**(All amounts are Rupees in lakhs unless otherwise stated)**

Statement of Changes in Equity

A Equity

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| Equity shares of INR 10 each issued, subscribed and fully paid | | | | |
| 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 | - | - | - | - |
| **Balance at the end of the reporting period** | **4,79,20,000** | **4,792.00** | **4,79,20,000** | **4,792.00** |

**B Other Equity**

| Particulars | Retained Earnings | Capital Contribution | Total |
|---|---|---|---|
| **Opening Balance** | **(9,323.71)** | **1,885.55** | **(7,438.18)** |
| Profit / (Loss) for the year | (2,822.00) | - | (2,822.00) |
| Remeasurement Gain/(Loss) on defined benefit plans | 0.96 | - | 0.96 |
| Fair value adjustment on interest free ICD received from holding company during the year | - | 30.80 | 30.80 |
| **Balance as on March 31, 2018** | **(12,144.75)** | **1,916.35** | **(10,228.42)** |
| Profit / (Loss) for the year | 4,461.77 | - | 4,461.77 |
| Remeasurement Gain/(Loss) on defined benefit plans | 0.86 | - | 0.86 |
| **Balance as on March 31, 2019** | **(7,682.13)** | **1,916.35** | **(5,765.79)** |

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

Nuzhat Khan
Partner
Membership No :124960

Place: Mumbai
Dated: 27th May 2019

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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

Naresh Sasanwar
Director
DIN:01861034

Hemant Chandel
Director
DIN:07473472

PRAVARA RENEWABLE ENERGY LIMITED
CIN: U45202MH2008PLC185428

## Note 1 : Significant Accounting policies and Other Related Disclosures

### A 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**

From current year , PREL has entered into an agreement with Karkhana from November 2018 to October 2019 for operation & maintenance of the power plant and Minimum Guaranteed Amount of Rs. 48 Crores (net) has been agreed towards the modified arrangement, which is payable to PREL by Karkhana in its Trust & Retention Account/Escrow account maintained with Central Bank of India including the waterfall mechanism to be adhered to during the period of aforesaid modified arrangement with Karkhana. The modified arrangement proposal is submitted to the Lenders' and the same is pending for approval. However, Karkhana has started operating the plant since 1st November 2018 and PREL has done billing of 42.35 crores to MSEDCL upto March 31, 2019. The first two instalments under the agreement are made available towards repayment of the bankers' loans. The facility has been marked as NPA with holding on operations in place. The management is of the view that the present arrangement will ensure that the plant will be utilized optimally and will ensure sufficient cash flows to service the debt.

The financial statements were authorised for issue in accordance with the resolution passed at the meeting of the board of directors on May 27, 2019.

### B New standards and interpretations not yet adopted

**i) Ind AS 116 Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.
The standard permits two possible methods of transition:

i. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes i Accounting Estimates and Errors.

ii. Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at tł date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as its carrying amount as if the standard had been applied since the commencement date, but discounted at 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 related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

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On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability.

**ii) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

**Amendment to Ind AS 12 – Income taxes:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

**(iii) Amendment to Ind AS 19 Plan amendment, curtailment or settlement:**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

1. To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

2. To recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**(iv) Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

**(v) Ind AS 23 – Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not expect any impact from this amendment.

**(vi) Ind AS 28 – Long-term Interests in Associates and Joint Ventures**

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures.

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**(vii) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

**C 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.

**D Use of judgments, estimates and assumptions**

The preparation of the financial statememts 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 finacial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

**E 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 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.

**2 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.

Decomissioning 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

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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.

**3 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.

**4 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.

**5 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.

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**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.

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.

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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 electricuty 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.

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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

**Operating lease**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the statement of profit and loss on a straight line basis.

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.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

PRAVARA RENEWABLE ENERGY LIMITED
CIN: U45202MH2008PLC185428
Notes to financials statements for the period ended March 31, 2019
(All amounts are Rupees in lakhs unless otherwise stated)

## 2 Property, Plant and Equipment

| Particulars | Factory Building | Plant & Machinery | Computers | Furniture & Fixtures | Office Equipments | Total |
|---|---|---|---|---|---|---|
| Cost or valuation | | | | | | |
| **As at April 1, 2017** | 4,849.57 | 22,552.89 | 0.41 | 6.22 | 6.85 | 27,415.94 |
| Additions | - | 9.66 | - | - | - | 9.66 |
| Sales/Disposals/Adjustments | - | - | - | - | - | - |
| **As at March 31, 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** |
| Depreciation | | | | | | |
| **As at April 1, 2017** | 271.19 | 1,649.58 | 0.41 | 2.88 | 3.44 | 1,927.50 |
| Charge for the period | 193.70 | 1,141.44 | - | 0.77 | 0.91 | 1,336.82 |
| Sales/Disposals/Adjustments | - | - | - | - | - | - |
| **As at March 31, 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 | **658.59** | **3,952.44** | **0.41** | **4.43** | 5.36 | **4,621.23** |
| Net Block | | | | | | |
| As at March 31, 2018 | **4,384.68** | **19,771.53** | - | 2.58 | **2.50** | **24,161.28** |
| As at March 31, 2019 | **4,190.98** | **18,610.11** | - | 2.34 | **2.81** | **22,806.25** |

NATVARLAL VEPARI & CO.
Mumbai
CHARTERED ACCOUNTANTS

PRAVARA RENEWABLE ENERGY LIMITED
CIN: U45202MH2008PLC185428
Notes to financial statements for the year ended March 31, 2019
(All amounts are Rupees in lakhs unless otherwise stated)

Statement of Changes in Equity

A Equity

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| **Equity shares of INR 10 each issued, subscribed and fully paid** | | | | |
| 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 | - | - | - | - |
| **Balance at the end of the reporting period** | **4,79,20,000** | **4,792.00** | **4,79,20,000** | **4,792.00** |

B Other Equity

| Particulars | Retained Earnings | Capital Contribution | Total |
|---|---|---|---|
| Opening Balance | (9,323.71) | 1,885.55 | (7,438.18) |
| Profit / (Loss) for the year | (2,822.00) | - | (2,822.00) |
| Remeasurement Gain/(Loss) on defined benefit plans | 0.96 | - | 0.96 |
| Fair value adjustment on interest free ICD received from holding company during the year | - | 30.80 | 30.80 |
| **Balance as on March 31, 2018** | **(12,144.75)** | **1,916.35** | **(10,228.42)** |
| Profit / (Loss) for the year | 4,461.77 | - | 4,461.77 |
| Remeasurement Gain/(Loss) on defined benefit plans | 0.86 | - | 0.86 |
| **Balance as on March 31, 2019** | **(7,682.13)** | **1,916.35** | **(5,765.79)** |

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

Nuzhat Khan
Partner
Membership No :124960

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

Place:Mumbai
Dated: 27th May 2019

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

Naresh Sasanwar
Director
DIN:01861034

Hemant Chandel
Director
DIN:07473472

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

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| **3 Financial Assets** | | | | |
| **3.1 Trade Receivables** | | | | |
| **(Unsecured, at amortised cost)** | | | | |
| (i) Trade Receivable | - | - | 6,039.69 | 4,790.77 |
| Total | - | - | 6,039.69 | 4,790.77 |

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 31,2019.

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| 3.2 Loans & Advances | | | | |
| **(Unsecured, Considered good )** | | | | |
| (i) Security Deposit | | | | |
| - HT Connection Load | 68.31 | 68.31 | - | - |
| - Office deposit | 57.00 | 49.70 | - | - |
| - Others | 0.12 | 0.12 | - | - |
| - M-Vat Voluntary Registration | 0.25 | 0.25 | - | - |
| **Total** | 125.68 | 118.38 | - | - |

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| 3.3 Other financial assets | | | | |
| (i) Insurance Claimable (Considered doubtful) | - | - | 520.00 | 520.00 |
| Less: Provision | - | - | (520.00) | (520.00) |
| (ii) Interest Receivable on Electricity Deposit | - | - | 5.81 | 5.84 |
| (iii) Unbilled Revenue | - | - | 272.31 | - |
| (iv) Sidhi Singrauli Road Projects Limited | - | - | 41.47 | 9.61 |
| Total | - | - | 319.59 | 15.45 |

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| 4 Other Assets | | | | |
| (i) Advance to contractor - Gammon Engineers and Contractors Private Limited | 73.94 | 73.94 | - | - |
| (ii) Advance to contractor - Gammon India Limited (Related Party) | 123.54 | 98.54 | - | - |
| (iii) Balances with Tax Authorities | 52.05 | 52.05 | 0.03 | 0.03 |
| (iv) Advance taxes net of provisions | 29.65 | 21.33 | - | - |
| (v) Advance to Contractors & Suppliers | - | - | 9.12 | 1.22 |
| (vi) Unamortized upfront fees | 68.08 | 88.43 | 20.34 | 22.29 |
| (vii) Unamortised Prepaid Rent | - | - | - | 6.47 |
| (viii) Prepaid Expenses | - | - | 34.43 | 28.97 |
| (ix) Advance to employees | - | - | 0.49 | 1.43 |
| Total | 347.26 | 334.29 | 64.41 | 60.41 |

| | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| 5 Inventories | | |
| **Valued at Lower of cost and net realisable value on Weighted Average method.** | | |
| Raw Material | | |
| - Bagasse | 256.13 | 34.87 |
| - Coal | 57.38 | 14.23 |
| - Biomass | 5.82 | - |
| Boiler Ash | 2.26 | 4.90 |
| Total | 321.59 | 54.00 |

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

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

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **6 Cash Cash and cash equivalents** | | |
| Cash on hand | 0.00 | 0.02 |
| Balances with banks - On current account | 53.08 | 201.04 |
| Total | 53.08 | 201.06 |

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **7 Equity Share Capital** | | |
| a) Authorised shares : March 31, 2019 : 4,80,00,000 Equity shares of Rs. 10/- each; March 31, 2018 : 4,80,00,000 Equity shares of Rs. 10/- each | 4,800.00 | 4,800.00 |
| | 4,800.00 | 4,800.00 |
| Issued, Subscribed and Paid up Shares: March 31, 2019: 4,79,20,000 Equity shares of Rs. 10/- each; March 31, 2018: 4,79,20,000 Equity shares of Rs. 10/- each | 4,792.00 | 4,792.00 |
| | 4,792.00 | 4,792.00 |

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period

| | As at March 31, 2019 | | As at March 31, 2018 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| At the beginning of the period | 4,79,20,000 | 4,792.00 | 4,79,20,000 | 4,792.00 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the period | 4,79,20,000 | 4,792.00 | 4,79,20,000 | 4,792.00 |

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

| | As at March 31, 2019 Number | % of holding | As at March 31, 2018 Number | % of holding |
|---|---|---|---|---|
| Gammon Infrastructure Projects Limited (GIPL) - Holding Company | 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.

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **8 Other Equity** | | |
| Retained earnings | (7,682.13) | (12,144.75) |
| Capital contribution | 1,916.35 | 1,916.35 |
| Total | (5,765.78) | (10,228.40) |

| | Non- Current As at March 31, 2019 | Non- Current As at March 31, 2018 | Current Maturities As at March 31, 2019 | Current Maturities As at March 31, 2018 |
|---|---|---|---|---|
| **9 Financial Liabilities** | | | | |
| **9.1 Long term Borrowings** | | | | |
| Indian rupee loans from banks (secured) | 12,604.01 | 14,328.18 | 1,725.72 | 1,441.47 |
| Overdue Principal | | | 1,182.19 | 643.93 |
| Current maturities of long term borrowings (refer note 9.1(b)) | | | (2,907.91) | (2,085.40) |
| Total | 12,604.01 | 14,328.18 | - | - |

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 reconciliaiton , if any.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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 9,329.23 lakhs, previous year: 9,839.26 lakhs carries an interest of MCLR (1 year) plus spread of 295 basis points.

Term loan from Corporation Bank (outstanding current year: Rs 6,182.69 lakhs, previous year: 6,574.32 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) Pravara Renewable Energy Ltd. (PREL) is operating 30 MW Co-Gen Bagasse Based Power Generation Plant within the premises of Padmashree Dr. Vithalrao Vikhe Patil Sahakari Sakhar Karkhana, Pravara Nagar. This power plant is located in the revenue block of Lohgaon village, Rahata Tehsil.

This Co-Gen Power plant is setup by PREL on built own operate and transfer basis as per the Project Development Agreement dated 12-Jul-2010 with Padmashree Dr. Vithalrao Vikhe Patil Sahakari Sakhar Karkhana, Pravara Nagar (Karkhana). PREL commissioned the Power Plant and started supply of electric power to the Grid on 06-Nov-2015 using bagasse as a fuel.

From current year , PREL has entered into an agreement with Karkhana from November 2018 to October 2019 for operation & maintenance of the power plant and Minimum Guaranteed Amount of Rs. 48 Crores (net) has been agreed towards the modified arrangement, which is payable to PREL by Karkhana in its Trust & Retention Account/Escrow account maintained with Central Bank of India including the waterfall mechanism to be adhered to during the period of aforesaid modified arrangement with Karkhana. The modified arrangement proposal is submitted to the Lenders' and the same is pending for approval. However, Karkhana has started operating the plant since 1st November 2018 and PREL has done billing of 42.35 crores to MSEDCL upto March 31, 2019. The first two instalments under the agreement are made available towards repayment of the bankers' loans. The facility has been marked as NPA with holding on operations in place, thus the same is classified as per the terms of the sanction. The management is of the view that the present arrangement will ensure that the plant will be utilized optimally and will ensure sufficient cash flows to service the debt.

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

| | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Instalment payable within next one year (Including Overdue Principal) | 2,907.91 | 1,441.47 |
| Instalment payable between 2 to 5 years | 8,008.00 | 7,720.00 |
| Instalment payable beyond 5 years | 4,596.01 | 6,608.18 |
| Total | 15,511.92 | 15,769.65 |

(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, 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 |
| 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 |

PRAVARA RENEWABLE ENERGY LIMITED
Notes to financial statements as at and for the year ended March 31, 2019
(All the figures are Rupees in lakhs unless otherwise stated)

Term Loan from Banks
As on March 31, 2018

| Name of the Bank | Amount | Nature of payment | Due date of payment | Paid Date if applicable | Delay in days |
|---|---|---|---|---|---|
| Central Bank of India | 97.51 | Interest | 30-Apr-17 | 19-May-17 | 19 |
| Corporation Bank | 23.00 | Interest | 30-Apr-17 | 30-Jun-17 | 61 |
| Corporation Bank | 42.63 | Interest | 30-Apr-17 | 19-Jul-17 | 80 |
| Corporation Bank | 139.00 | Principal | 31-May-17 | 24-Jul-17 | 54 |
| Corporation Bank | 67.50 | Interest | 31-May-17 | 24-Jul-17 | 54 |
| Central Bank of India | 208.00 | Principal | 30-May-17 | 21-Jul-17 | 52 |
| Central Bank of India | 100.86 | Interest | 31-May-17 | 21-Jul-17 | 51 |
| Central Bank of India | 97.93 | Interest | 30-Jun-17 | 21-Jul-17 | 21 |
| Corporation Bank | 66.07 | Interest | 30-Jun-17 | 21-Jul-17 | 21 |
| Central Bank of India | 101.70 | Interest | 31-Jul-17 | 27-Nov-17 | 119 |
| Corporation Bank | 68.02 | Interest | 31-Jul-17 | 12-Mar-18 | 224 |
| Corporation Bank | 57.13 | Principal | 31-Aug-17 | 12-Mar-18 | 193 |
| Corporation Bank | 81.87 | Principal | 31-Aug-17 | 31-Mar-18 | 212 |
| Central Bank of India | 208.00 | Principal | 30-Aug-17 | 30-Nov-17 | 92 |
| Central Bank of India | 99.16 | Interest | 31-Aug-17 | 30-Nov-17 | 91 |
| Corporation Bank | 66.06 | Interest | 31-Aug-17 | 31-Mar-18 | 212 |
| Central Bank of India | 97.72 | Interest | 30-Sep-17 | 30-Mar-18 | 181 |
| Corporation Bank | 64.88 | Interest | 30-Sep-17 | 30-Mar-18 | 181 |
| Central Bank of India | 101.90 | Interest | 31-Oct-17 | 30-Mar-18 | 150 |
| Corporation Bank | 67.77 | Interest | 31-Oct-17 | 30-Mar-18 | 150 |
| Central Bank of India | 96.86 | Interest | 30-Nov-17 | 30-Mar-18 | 120 |
| Central Bank of India | 50.07 | Principal | 30-Nov-17 | 30-Mar-18 | 120 |
| Corporation Bank | 15.28 | Interest | 30-Nov-17 | 30-Mar-18 | 120 |

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

PRAVARA RENEWABLE ENERGY LIMITED
Notes to financial statements as at and for the year ended March 31, 2019
(All the figures are Rupees in lakhs unless otherwise stated)

ii) Continuing Default Disclosure

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 |

As on March 31, 2018

| Name of the Bank | Amount | Nature of payment | Due date of payment | Paid Date if applicable | Delay in days |
|---|---|---|---|---|---|
| Corporation Bank | 139.00 | Principal | 30-Nov-17 | Unpaid | 121 |
| Central Bank of India | 157.93 | Principal | 30-Nov-17 | Unpaid | 121 |
| Corporation Bank | 51.06 | Interest | 30-Nov-17 | Unpaid | 121 |
| Central Bank of India | 2.54 | Interest | 30-Nov-17 | Unpaid | 121 |
| Central Bank of India | 99.93 | Interest | 31-Dec-17 | Unpaid | 90 |
| Corporation Bank | 69.53 | Interest | 31-Dec-17 | Unpaid | 90 |
| Central Bank of India | 101.05 | Interest | 31-Jan-18 | Unpaid | 59 |
| Corporation Bank | 70.31 | Interest | 31-Jan-18 | Unpaid | 59 |
| Corporation Bank | 139.00 | Principal | 28-Feb-18 | Unpaid | 31 |
| Central Bank of India | 208.00 | Principal | 28-Feb-18 | Unpaid | 31 |
| Central Bank of India | 92.30 | Interest | 28-Feb-18 | Unpaid | 31 |
| Corporation Bank | 64.24 | Interest | 28-Feb-18 | Unpaid | 31 |
| Corporation Bank | 71.11 | Interest | 31-Mar-18 | Unpaid | 0 |
| Central Bank of India | 103.58 | Interest | 31-Mar-18 | Unpaid | 0 |

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| **9.2 Short term Borrowings** | | |
| Cash credit from banks | | |
| - Corporation Bank | 1,597.65 | 1,615.41 |
| - Central Bank of India | 2,261.04 | 2,400.00 |
| Unsecured Inter-corporate loan from GIPL | 2,498.58 | 2,481.98 |
| **Total** | **6,357.27** | **6,497.39** |

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.

c) Default Disclosure

i) Cash Credit Delays

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 31,2018

| 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 |

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

ii) **Continuing 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 absense 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 31,2018**

| 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 | Unpaid | 31 |
| Central Bank of India | 24.36 | Interest | 31-Mar-18 | Unpaid | 0 |
| Corporation Bank | 15.41 | Limit Overdrawn | 31-Mar-18 | Unpaid | 0 |

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| **9.3 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 | - | - | 6,252.38 | 3,720.03 |
| Total | - | - | 6,252.38 | 3,720.03 |

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 Miro,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.

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| **9.4 Other Financial Liabilities** | | | | |
| Security Advance from Kharkana | - | - | 501.00 | - |
| Overdue Principal | | | 1,182.19 | 643.93 S |
| Current maturities of long term borrowings (refer note 9.1(b)) | - | - | 1,725.72 | 1,441.47 S |
| Interest accrued and due - GIPL | - | - | - | 25.47 UN |
| Interest accrued and due - banks | - | - | 195.93 | 773.20 S |
| Dues to Related parties | | | | |
| - Gammon Infrastructure Projects Limited | - | - | 991.16 | 880.87 |
| - Patna Highway Project Limited | - | - | 73.00 | 73.00 |
| Gammon Engineers and Contractors Private Limited | - | - | 350.00 | 354.46 |
| Other liabilities | - | - | 55.55 | 26.55 |
| **Total** | - | - | 5,074.55 | 4,218.95 |

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| | Non- Current | | Current | |
| **10 Provisions** | | | | |
| Provision for leave encashment | 12.26 | 5.33 | 0.27 | 0.16 |
| Provision for gratuity | 6.03 | 3.43 | 0.08 | 0.08 |
| Provision for decommissioning liability | 21.16 | 19.10 | - | - |
| **Total** | 39.45 | 27.86 | 0.35 | 0.24 |

a) **Information about individual provisions and significant estimates**

**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, 2019 | As at March 31, 2018 |
|---|---|---|
| Balance at the beginning of the period | 19.10 | 17.25 |
| Provision created during the period | - | - |
| Finance Cost on outstanding provision | 2.05 | 1.85 |
| Utilised during the period | - | - |
| **Balance at the end of the period** | 21.16 | 19.10 |

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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, 2019 | As at March 31, 2018 |
|---|---|---|
| (a) Reconciliation of opening and closing balances of Defined benefit Obligation | | |
| Defined Benefit obligation at the beginning of the year | 3.51 | 3.57 |
| Current Service Cost | 1.40 | 1.00 |
| Interest Cost | 0.27 | 0.27 |
| Actuarial (Gain) /Loss | (0.86) | (0.96) |
| Transfer from Holding Company | 1.78 | |
| Benefits paid | | (0.36) |
| **Defined Benefit obligation at the year end** | **6.11** | **3.51** |
| (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 | - | - |
| **Actual Return on Plan Assets** | - | - |
| (c) Reconciliation of fair value of assets and obligations | | |
| Fair Value of Plan Assets | - | - |
| Present value of Defined Benefit obligation | 6.11 | 3.51 |
| **Liability recognized in Balance Sheet** | **6.11** | **3.51** |
| (d) Expenses recognized during the year ( Under the head " Employees Benefit Expenses ) | | |
| Current Service Cost | 1.40 | 1.00 |
| Interest Cost | 0.27 | 0.27 |
| Expected Rate of return on Plan Assets | - | - |
| Past employees Service | - | - |
| Actuarial (Gain)/Loss | (0.86) | (0.96) |
| **Net Cost** | **0.81** | **0.30** |

| ii) Actuarial assumptions | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Mortality Table (LIC) | Indian Assured Lives 2006-08 | |
| Discount rate (per annum) | 7.75% | 7.75% |
| Expected rate of return on Plan assets (per | NA | NA |
| Rate of escalation in salary (per annum) | 6.5% | 6% |
| 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 un funded there is no asset liability matching strategy devised for the plan.

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Notes to financial statements as at and for the year ended March 31, 2019

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

| | Discount Rate | Salary Growth Rate |
|---|---|---|
| iii) **Sensitivity analysis** | | |
| A quantitative Sensitivity analysis for significant assumptions | | |
| **Change in assumption** | | |
| March 31, 2019 | 1% | 1% |
| March 31, 2018 | 1% | 1% |
| **Increase in assumption** | | |
| March 31, 2019 | -0.75 | 0.90 |
| March 31, 2018 | -0.42 | 0.51 |
| **Decrease in assumption** | | |
| March 31, 2019 | 0.90 | -0.76 |
| March 31, 2018 | 0.51 | -0.43 |

| iv) **Experience adjustment** | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Experience adjustment on Plan Liability | (1.16) | (0.88) |

| 11 **Deferred Tax Liability** | March 31, 2019 | March 31, 2018 |
|---|---|---|
| **Deferred Tax Liability on account of :** | | |
| - Property, Plant and Equipment (PPE) | 713.67 | 6,369.13 |
| **Deferred Tax Asset on account of :** | | |
| - Tax Disallowances -u/s 43B | (4.85) | (2.81) |
| **Deferred Tax Liability, net** | 708.82 | 6,366.32 |

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 out of the cummulative movement of Rs. 6,369.13 lakhs as on March 31,2018.

| | As at | | As at | |
|---|---|---|---|---|
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| 12 **Other Liabilities** | Non- Current | | Current | |
| Duties and Taxes payable | - | - | 14.51 | 13.08 |
| Total | - | - | 14.51 | 13.08 |

| 13 **Revenue from operations** | 2018-19 | 2017-18 |
|---|---|---|
| Sale of Power, Steam and Fuel | 6,296.38 | 5,658.42 |
| Total | 6,296.38 | 5,658.42 |

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** | 2018-19 | 2017-18 |
|---|---|---|
| Electricity | 6,132.98 | 5,539.46 |
| Steam | 147.64 | 118.96 |
| Others | 15.76 | - |
| | 6,296.38 | 5,658.42 |

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

| **Customer Type** | 2018-19 | 2017-18 |
|---|---|---|
| Government Companies | 5,019.68 | 4,749.63 |
| Non Government Companies | 1,276.70 | 908.80 |
| | 6,296.38 | 5,658.42 |

(iii) There is no unbilled revenue as on March 31,2018 and balance as on March 2019 is expected to billed within one year since the balance sheet date.

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

| | 2018-19 | 2017-18 |
|---|---|---|
| **14 Other Income** | | |
| Reversal of Claims for stoppages | - | 165.69 |
| Interest Income on financial asset on amortised cost | 13.11 | 14.01 |
| Scrap Sales | 8.87 | - |
| Total | 21.98 | 179.70 |

| Particulars | 2018-19 | 2017-18 |
|---|---|---|
| **15 Cost of material Consumed** | | |
| Inventory at the beginning of the year | 49.10 | 863.13 |
| Add : Purchases | 2,547.28 | 1,619.72 |
| | 2,596.38 | 2,482.85 |
| Less: Inventory at the end of the year | (319.33) | (49.10) |
| Cost of raw material consumed | 2,277.05 | 2,433.75 |

| | 2018-19 | 2017-18 |
|---|---|---|
| **16 Employee Benefit Expenses** | | |
| Salaries and wages | 156.85 | 167.76 |
| Contribution to provident fund and others funds | 12.82 | 12.66 |
| Staff welfare expenses | 3.15 | 1.15 |
| Total | 172.82 | 181.57 |

| | 2018-19 | 2017-18 |
|---|---|---|
| **17 Finance Cost** | | |
| Interest expenses on Financial liability at amortised cost (*) | 2,549.10 | 2,777.51 |
| Interest on Decommisioning Obligation | 2.05 | 1.85 |
| Re-measurement impact on fair valuation | - | 5.76 |
| Other finance costs | 22.61 | 28.58 |
| Total | 2,573.76 | 2,813.70 |

(*) 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.

| | 2018-19 | 2017-18 |
|---|---|---|
| **18 Other Expenses** | | |
| Routine operation and maintenance expenses | 279.77 | 259.15 |
| Electricity and fuel expenses | 522.08 | 241.42 |
| Filing fees | 0.07 | 0.09 |
| Professional fees | 30.80 | 20.72 |
| Computer Expenses | 0.18 | 0.34 |
| Transportation expenses | 0.08 | 0.01 |
| Insurance expenses | 20.35 | 19.31 |
| Rent | 60.99 | 82.97 |
| Rates and Taxes | 5.23 | 15.67 |
| GST Credit Written off | 182.24 | 40.11 |
| Repairs And Maintenance - Others | 12.84 | 16.61 |
| Motor car expenses | 10.71 | 9.62 |
| Sundry expenses | 5.70 | 7.60 |
| Balances No Longer Receivable W/Off | 0.01 | 0.97 |
| Remuneration to Auditors (Including Tax Audit) | 2.50 | 2.78 |
| Total | 1,133.55 | 717.37 |

| a) Payment to auditors | 2018-19 | 2017-18 |
|---|---|---|
| Statutory Audit | 2.00 | 2.53 |
| Tax Audit | 0.50 | 0.25 |
| Total | 2.50 | 2.78 |

| | 2018-19 | 2017-18 |
|---|---|---|
| **19 Exceptional Item** | | |
| Impairment of Insurance Claim | - | 520.00 |
| Total | - | 520.00 |

| | 2018-19 | 2017-18 |
|---|---|---|
| **20 Tax expenses** | | |
| a) Reconciliation of statutory rate of tax and effective rate of tax: | | |
| Current taxes | - | - |
| Deferred taxes | (5,657.50) | 656.89 |
| | (5,657.50) | 656.89 |
| A Current Tax | | |
| Profit Before Tax | (1,195.73) | (2,165.09) |
| Enacted tax rates in India (%) | 26.00% | 30.90% |
| Minimum Alternate Tax on Book Profit | 19.24% | 21.50% |
| Income Tax Expenses-Net | - | - |
| Minimum Alternate Tax on Book Profit | - | - |

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B Deferred Tax Reconciliation

| Particulars | Opening | Recognised in profit and loss | Closing |
|---|---|---|---|
| Property, Plant and Equipment | (5,883.34) | (485.79) | (6,369.13) |
| Employee benefits | 0.84 | 1.97 | 2.81 |
| Other Disallowances | 173.07 | (173.07) | - |
| **As at March 31, 2018** | (5,709.43) | (656.89) | (6,366.32) |
| Property, Plant and Equipment | (6,369.13) | 5,655.46 | (713.67) |
| Employee benefits | 2.81 | 2.04 | 4.85 |
| **As at March 31, 2019** | (6,366.32) | 5,657.50 | (708.82) |

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 out of the cummulative movement of Rs. 6,369.13 lakhs as on March 31,2018.

21 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:**

| | 2018-19 | 2017-18 |
|---|---|---|
| Net Profit / (Loss) as per Statement of Profit and Loss | 4,461.77 | (2,821.98) |
| 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.) | 9.31 | (5.89) |

| **Reconciliation of weighted number of outstanding during the period:** | 2018-19 | 2017-18 |
|---|---|---|
| Nominal Value of Equity Shares (Rs per share) | 10.00 | 10.00 |
| **For Basic EPS :** | | |
| 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 earing of equity shareholders, therefore Basic EPS and Diluted EPS both are the same.

22 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.

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.

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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.

**23 Financial instruments**

The carrying value and fair value of financial instruments by categories as at March 31, 2019, March 31, 2018 is as follows:

| | Carrying value March 31, 2019 | Fair value March 31, 2019 | Carrying value March 31, 2018 | Fair value March 31, 2018 |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Amortized cost:** | | | | |
| Loans and advances | 125.68 | 125.68 | 118.38 | 118.38 |
| Trade receivables | 6,039.69 | 6,039.69 | 4,790.77 | 4,790.77 |
| Cash and bank balances | 53.08 | 53.08 | 201.06 | 201.06 |
| Others | 319.59 | 319.59 | 15.46 | 15.46 |
| **Fair Value through P&L** | - | - | - | - |
| **Fair Value through OCI** | - | - | - | - |
| | **6,538.05** | **6,538.05** | **5,125.67** | **5,125.67** |
| **Financial liabilities** | | | | |
| **Amortized cost** | | | | |
| Long term borrowings | 12,604.01 | 12,604.01 | 14,328.18 | 14,328.18 |
| Short term borrowings | 6,357.27 | 6,357.27 | 6,497.39 | 6,497.39 |
| Trade payable | 6,252.38 | 6,252.38 | 3,720.03 | 3,720.03 |
| Others | 5,074.55 | 5,074.55 | 4,218.95 | 4,218.95 |
| **Fair Value through OCI** | | | - | - |
| | **30,288.21** | **30,288.21** | **28,764.55** | **28,764.55** |

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.

**24 Contingent liabilities**

Claims against the company not acknowledged as debt is Rs.1286.35 lakhs (PY: 1370.42 lakhs)

**25 Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.**

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.

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| The future minimum committed lease rentals are given as follows : | | |
| Payable not later than one year(*) | - | 133.20 |
| Payable between one to five years | - | - |
| Payable after five years | - | - |
| Total | - | **133.20** |

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.

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**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 | March 31, 2018 |
|---|---|---|
| Payable not later than one year | 18.87 | 45.29 |
| Payable between one to five years | 75.48 | 181.15 |
| Payable after five years | 268.11 | 715.30 |
| Total | 362.46 | 941.74 |

In accordance with arrangement as stated in Note 11.1(b) the Kharkana 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 previous year ended March 2018 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.

**26 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 6,296.38 lakhs (Previous period: 5,658.42 lakhs).

**b) Major Customer**

| Name of Customer | 2018-19 | | 2017-18 | |
|---|---|---|---|---|
| | Amount (Rs.) | % | Amount (Rs.) | % |
| Maharashtra State Electricity Distribution Company Limited | 5,019.68 | 79.92% | 4,749.63 | 83.94% |
| Padmashri Dr.Vithalrao Vikhe Patil Sahakari Sakhar Karkhana Ltd. | 1,260.94 | 20.08% | 908.80 | 16.06% |

**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.

**27 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

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Related party transactions

| Transactions | Entities having significant influence | Ultimate Holding Company | Holding Company | Fellow subsidiaries |
|---|---|---|---|---|
| **Expense/Liability Incurred on behalf of the Company by:** | | | | |
| Gammon Infrastructure Projects Limited | -<br>- | -<br>- | 277.09<br>(326.57) | -<br>- |
| Patna Highway Project Limited | -<br>- | -<br>- | -<br>- | -<br>(20.00) |
| **Advance paid against EPC contracts to** | | | | |
| - Gammon India Ltd | 25.00<br>- | -<br>- | -<br>- | -<br>- |
| **Finance Expenses incurred** | | | | |
| Gammon Infrastructure Projects Limited | -<br>- | -<br>- | -<br>(295.99) | -<br>- |
| **Payment for expense incurred on behalf of Company to :** | | | | |
| Gammon Infrastructure Projects Limited | -<br>- | -<br>- | 113.57<br>(49.62) | -<br>- |
| **EPC work done on behalf of the company by:** | | | | |
| Gammon India Limited | -<br>(76.73) | -<br>- | -<br>- | -<br>- |
| **Inter corporate borrowings from:** | | | | |
| Gammon Infrastructure Projects Limited | -<br>- | -<br>- | 16.60<br>(476.88) | -<br>- |
| **Refund of inter corporate borrowings taken** | | | | |
| Gammon Infrastructure Projects Limited | -<br>- | -<br>- | -<br>(66.00) | -<br>- |
| **Outstanding Loan Balance along with interest payable to:** | | | | |
| Gammon Infrastructure Projects Limited-Capital Contribution | -<br>- | -<br>- | 1,916.35<br>(1,916.35) | -<br>- |
| **Outstanding Intercorporate Deposits payable to:** | | | | |
| Gammon Infrastructure Projects Limited | -<br>- | -<br>- | 2,498.58<br>(2,481.98) | -<br>- |
| **Rent expenses incurred on behalf of company** | | | | |
| Gammon Infrastructure Projects Limited | -<br>- | -<br>- | 55.50<br>(55.50) | -<br>- |
| Sidhi Singrauli Roads Projects Limited | -<br>- | -<br>- | -<br>- | 27.75<br>(27.75) |
| **Expenses incurred on behalf of company** | | | | |
| Sidhi Singrauli Roads Projects Limited | -<br>- | -<br>- | -<br>- | 1.89<br>- |
| **Outstanding balance receivable from** | | | | |
| Sidhi Singrauli Roads Projects Limited | -<br>- | -<br>- | -<br>- | 41.47<br>(9.61) |
| Gammon India Limited | 98.54<br>(98.54) | -<br>- | -<br>- | -<br>- |
| **Outstanding balance payable to** | | | | |
| Gammon Infrastructure Projects Limited | -<br>- | -<br>- | 991.16<br>(906.33) | -<br>- |
| Patna Highway Project Ltd | -<br>- | -<br>- | -<br>- | 73.00<br>(73.00) |

(Previous period's figure in brackets)

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

There are no derivative instruments and no foreign currency exposure outstanding as on March 31, 2019 and as on March 31, 2018.

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## 29 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 21,869.18 lakhs as on March 31, 2019 and Rs 22,901.98 lakhs as on March 31, 2018.

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.

| | Effect on profit before tax | |
|---|---|---|
| | Coal | Power |
| **Sensitivity** | | |
| The following table shows the effect of price changes | | |
| Change in Assumption | | |
| March 31, 2019 | 5% | 5% |
| March 31, 2018 | 5% | 5% |
| Increase in Assumption | | |
| March 31, 2019 | -5.44 | 250.98 |
| March 31, 2018 | -19.21 | 237.48 |
| Decrease in Assumption | | |
| March 31, 2019 | 5.44 | -250.98 |
| March 31, 2018 | 19.21 | -237.48 |

#### 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-19 | | |
| Interest Rate | +100 | (218.69) |
| | -100 | 218.69 |
| 31-Mar-18 | | |
| Interest Rate | +100 | (222.67) |
| | -100 | 222.67 |

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

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.

**30 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.

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Gross Debt | 14,329.73 | 15,769.65 |
| Less: Cash and Cash Equivalents | 53.08 | 201.06 |
| Net debt (A) | 14,276.65 | 15,568.59 |
| Total Equity (B) | (973.78) | (5,436.40) |
| Gearing ratio | -14.66 | -2.86 |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

**31 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

Nuzhat Khan
Partner
Membership No :124960
Mumbai
Dated: 27th May 2019

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

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

Naresh Sasanwar
Director
DIN:01861034

Hemant Chandel
Director
DIN:07473472