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## Independent Auditor's Report

To the Members of Sinnar Thermal Power Limited

Report on the Audit of the Financial Statements

### Disclaimer of Opinion

- 1) We were engaged to audit the financial statements of Sinnar Thermal Power Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- 2) We do not express an opinion on the aforesaid financial statements of the Company. Because of the significance of the matters described in the Basis of Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### Basis for Disclaimer of Opinion

- 3) As stated in note 46 to the financial statements, the Company has incurred a net loss amounting to Rs. 241,918.69 lakhs during the year ended 31 March 2022 and, as of that date, accumulated losses aggregate to Rs. 959,560.21 lakhs which has resulted in complete erosion of the net worth of the Company and its current liabilities exceed its current assets by Rs. 1,035,788.75 lakhs. The Company has also made defaults in repayment of borrowings from banks, including interest, by an amount aggregating to Rs. 920,452.48 lakhs till 31 March 2022. As described in the said note, the Company does not have any visibility on the start of its operations and settlement of dues with lenders which indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Pending execution of power purchase agreement, we are unable to comment on whether the use of going concern basis of accounting for the preparation of the accompanying financial statements is appropriate.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

- 4) The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



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Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

- 5) In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 6) Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

- 7) Our responsibility is to conduct an audit of the Company's financial statements in accordance with Standards on Auditing specified under section 143 (10) of the Act and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
- 8) We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and provisions of the Act that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

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

- 9) Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
- 10) As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 11) Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
  - a) As described in the Basis of Disclaimer of Opinion section, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) Due to the possible effect of Basis of Disclaimer of Opinion section, we are unable to state whether 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 financial statements dealt with by this report are in agreement with the books of account;



- d) Due to the possible effect of Basis of Disclaimer of Opinion section, we are unable to state whether the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) The matters described in the Basis for Disclaimer of Opinion section, in our opinion, may have an adverse effect on the functioning of the Company;
- f) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- g) The reservations relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section, read with paragraph 11(b) above
- h) We were also engaged to audit the internal financial controls with reference to financial statements of the Company as on 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12 May 2022 as per Annexure B has been issued with Disclaimer of Opinion; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company, as detailed in note 31 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
  - iv)
    - a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 (v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 52 (vi) to the financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.



# Walker Chandiook & Co LLP

- v) The Company has not declared or paid any dividend during the year ended 31 March 2022.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Deepak Mittal*

Deepak Mittal  
Partner  
Membership No.: 503843



UDIN: 22503843AIWHJX9047

Place: New Delhi  
Date: 12 May 2022

Annexure A referred to in Paragraph 10 of the Independent Auditor's Report of even date to the members of Sinner Thermal Power Limited on the financial statements for the year ended 31 March 2022

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In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

However, for title deeds of immovable properties in the nature of lease hold land situated at Nasik Plant with gross carrying values of Rs. 9,201.83 lakhs as at 31 March 2022, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.



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Annexure A referred to in Paragraph 10 of the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited on the financial statements for the year ended 31 March 2022

(iii)(a) The Company has provided loans to Subsidiaries as per details given below:

| Particulars                                  | Amount<br>(In lakhs) |
|----------------------------------------------|----------------------|
| Aggregate amount provided during the year    | -                    |
| Balance outstanding as at balance sheet date | *-                   |

\* Represents closing balance of Rs. 411 lakhs, less: impairment loss of Rs. 411 lakhs, recognised during current year.

- (b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company's interest.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.
- (f) The Company has granted loan which are repayable on demand or without specifying any terms or period of repayment, as per details below:

| Particulars                                                              | Related parties<br>(Amount in Rs. Lakhs) |
|--------------------------------------------------------------------------|------------------------------------------|
| Repayable on demand (A)                                                  | 411.00                                   |
| Agreement does not specify any terms or period of repayment (B)          | -                                        |
| Total (A+B)                                                              | 411.00                                   |
| <b>Percentage of loans/advances in nature of loan to the total loans</b> | <b>100%</b>                              |

- (iv) The Company has not entered into any transaction covered under section 185 of the Act. As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sub-section (1) of section 186 in respect of investments, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's business activity. However, the



# Walker ChandioK & Co LLP

Annexure A referred to in Paragraph 10 of the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited on the financial statements for the year ended 31 March 2022

Companies (Cost Records and Audit) Rules, 2014 (as amended) ('the Cost Rules') are not applicable to the Company for the year ended 31 March 2022 as the Company does not meet the turnover criteria as stated in the Cost Rules.

- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has defaulted in repayment of loans, other borrowings to lenders and in the payment of interest thereon as follows:

| Nature of borrowing, including debt securities | Name of lender                                        | Amount not paid on due dates (in lakhs) | Whether principal or interest | No. of days delay or unpaid till the date of audit report |
|------------------------------------------------|-------------------------------------------------------|-----------------------------------------|-------------------------------|-----------------------------------------------------------|
| Term loans                                     | Power Finance Corporation Limited                     | 84,037.56                               | Principal                     | Since Financial year 2017-18                              |
|                                                |                                                       | 275,488.42                              | Interest                      |                                                           |
|                                                | Rural Electrification Corporation Limited             | 87,662.36                               | Principal                     |                                                           |
|                                                |                                                       | 238,944.25                              | Interest                      |                                                           |
|                                                | Life Insurance Corporation of India Limited           | 10,102.96                               | Principal                     |                                                           |
|                                                |                                                       | 33,498.66                               | Interest                      |                                                           |
|                                                | Axis Bank                                             | 22,312.35                               | Principal                     |                                                           |
|                                                |                                                       | 44,469.30                               | Interest                      |                                                           |
|                                                | Bank of India                                         | 26,451.00                               | Principal                     |                                                           |
|                                                |                                                       | 48,599.80                               | Interest                      |                                                           |
|                                                | Punjab National Bank (erstwhile United Bank of India) | 11,307.60                               | Principal                     |                                                           |
|                                                |                                                       | 19,670.39                               | Interest                      |                                                           |
|                                                | Canara Bank (erstwhile Syndicate Bank)                | 6,498.00                                | Principal                     |                                                           |
|                                                |                                                       | 11,408.07                               | Interest                      |                                                           |



- (b) According to the information and explanations given to us including representation received from the management of the Company read along with Note 52, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as





prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 174,428.53 lakhs and Rs. 157,515.41 lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, and considering the matters described in paragraph 3 under heading 'Basis for Disclaimer of Opinion' of our audit report, material uncertainty exists as on the date of the audit report that may cast significant doubt on the Company's capability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Also, refer note 46 of the accompanying financial statements. We further state that our reporting is based on the facts up to the date of the audit report.

(xx) According to the information and explanations given to us, although the Company fulfilled the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company



## Walker Chandiook & Co LLP

Annexure A referred to in Paragraph 10 of the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited on the financial statements for the year ended 31 March 2022

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- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Deepak Mittal*

**Deepak Mittal**  
Partner  
Membership No.: 503843



UDIN: 22503843AIWHJX9047

Place: New Delhi  
Date: 12 May 2022

## Annexure B

### Independent Auditor's 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')

1. We were engaged to audit the internal financial controls with reference to financial statements of Sinner Thermal Power Limited ('the Company') as at 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

### Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on conducting our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the ICAI.
4. Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to financial statements of the Company.

### Meaning of Internal Financial Controls with Reference to Financial Statements

5. A company's internal financial controls 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 controls with reference to financial statements include 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.

### Disclaimer of Opinion

6. Because of matter described below, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2022:

We are unable to determine whether the Company's internal control system with respect to financial statements closure process towards assessing the Company's ability to continue as going concern were operating effectively, due to uncertainties in the judgments and assumptions made by the Company, which could potentially result in material misstatements in the carrying value and classification of assets and liabilities and consequential impact thereof on the accompanying financial statements.



# Walker ChandioK & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited, on the financial statements for the year ended 31 March 2022

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7. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as at and for the year ended 31 March 2022, and the disclaimer has affected our opinion on the financial statements of the Company and we have issued a disclaimer of opinion on the financial statements.

For **Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
**Deepak Mittal**  
Partner  
Membership No.: 503843  
UDIN: 22503843AIWHJX9047



Place: New Delhi  
Date: 12 May 2022

**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**

**Balance sheet as at 31 March 2022**

(All amount in Rs. Lakhs, unless otherwise stated)

|                                                                                        | Note | As at<br>31 March 2022 | As at<br>31 March 2021 |
|----------------------------------------------------------------------------------------|------|------------------------|------------------------|
| <b>ASSETS</b>                                                                          |      |                        |                        |
| <b>Non-current assets</b>                                                              |      |                        |                        |
| (a) Property, plant and equipment                                                      | 4A   | 674,884.69             | 693,572.09             |
| (b) Capital work-in-progress                                                           | 4B   | 100,913.39             | 145,128.90             |
| (c) Right of use                                                                       | 4C   | 8,077.42               | 8,179.61               |
| (d) Intangible assets                                                                  | 5    | -                      | 0.17                   |
| <b>(e) Financial assets</b>                                                            |      |                        |                        |
| (i) Investments                                                                        | 6A   | -                      | 5,058.61               |
| (ii) Loans                                                                             | 7    | -                      | 411.00                 |
| (iii) Other financial assets                                                           | 8    | 388.03                 | 377.15                 |
| (f) Non-current tax assets (net)                                                       | 9    | 141.19                 | 134.66                 |
| (g) Other non-current assets                                                           | 10   | 99.88                  | 100.98                 |
| (h) Assets held for sale                                                               | 11   | -                      | -                      |
|                                                                                        |      | <b>784,504.60</b>      | <b>852,963.17</b>      |
| <b>Current assets</b>                                                                  |      |                        |                        |
| (a) Inventories                                                                        | 12   | 941.18                 | 954.69                 |
| <b>(b) Financial assets</b>                                                            |      |                        |                        |
| (i) Investments                                                                        | 6B   | -                      | -                      |
| (ii) Trade receivables                                                                 | 13   | -                      | -                      |
| (iii) Cash and cash equivalents                                                        | 14   | 162.54                 | 110.08                 |
| (iv) Other bank balances                                                               | 15   | 513.39                 | 548.75                 |
| (v) Loans                                                                              | 7    | 0.33                   | 0.31                   |
| (vi) Other financial assets                                                            | 8    | 157.40                 | 185.46                 |
| (c) Other current assets                                                               | 10   | 1,815.72               | 2,097.41               |
|                                                                                        |      | <b>3,590.56</b>        | <b>3,896.70</b>        |
|                                                                                        |      | <b>788,095.16</b>      | <b>856,859.87</b>      |
| <b>TOTAL ASSETS</b>                                                                    |      |                        |                        |
| <b>EQUITY AND LIABILITIES</b>                                                          |      |                        |                        |
| <b>Equity</b>                                                                          |      |                        |                        |
| (a) Equity share capital                                                               | 16   | 3,197.72               | 3,197.72               |
| (b) Other equity                                                                       | 17   | (660,131.98)           | (418,213.29)           |
|                                                                                        |      | <b>(656,934.26)</b>    | <b>(415,015.57)</b>    |
| <b>LIABILITIES</b>                                                                     |      |                        |                        |
| <b>Non-current liabilities</b>                                                         |      |                        |                        |
| <b>(a) Financial liabilities</b>                                                       |      |                        |                        |
| (i) Borrowings                                                                         | 18   | 400,053.40             | 462,111.97             |
| (ii) Lease liabilities                                                                 | 19   | 106.99                 | 107.00                 |
| (iii) Other financial liabilities                                                      | 20   | 5,474.29               | 5,664.33               |
| (b) Provisions                                                                         | 21   | 15.43                  | 21.74                  |
|                                                                                        |      | <b>405,650.11</b>      | <b>467,905.04</b>      |
| <b>Current liabilities</b>                                                             |      |                        |                        |
| <b>(a) Financial liabilities</b>                                                       |      |                        |                        |
| (i) Borrowings                                                                         | 22   | 320,118.87             | 255,638.95             |
| (ii) Lease liabilities                                                                 | 19   | -                      | -                      |
| (iii) Trade payables                                                                   | 23   | -                      | -                      |
| Total outstanding dues of micro enterprises and small enterprises                      |      | -                      | -                      |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |      | 515.03                 | 515.03                 |
| (iv) Other financial liabilities                                                       | 20   | 718,737.62             | 547,800.09             |
| (b) Other current liabilities                                                          | 24   | 7.41                   | 9.09                   |
| (c) Provisions                                                                         | 21   | 0.38                   | 7.24                   |
|                                                                                        |      | <b>1,039,379.31</b>    | <b>803,970.40</b>      |
|                                                                                        |      | <b>788,095.16</b>      | <b>856,859.87</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                                    |      |                        |                        |

Significant accounting policies and accompanying notes are integral part of the financial statements.

This is the Balance sheet referred to in our report of even date.

Walker Chandlok & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/ N500013

Deepak Mittal  
Partner  
Membership No. : 50384



Place: New Delhi  
Date: 12 May 2022

For and on behalf of the Board of Directors

Jeevagan Narayana Swami Nadar  
Director  
DIN: 02393291

Place: New Delhi  
Date: 12 May 2022

Sandeep Mittal  
Chief Financial Officer

Place: New Delhi  
Date: 12 May 2022

Chandan Mishra

Director  
DIN: 08837049

Place: New Delhi  
Date: 12 May 2022

Rahul Mutreja  
Company Secretary

Place: New Delhi  
Date: 12 May 2022

Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)

Statement of profit and loss for the year ended 31 March 2022

(All amount in Rs. Lakhs, unless otherwise stated)

|                                                            | Note | For the year ended 31<br>March 2022 | For the year ended<br>31 March 2021 |
|------------------------------------------------------------|------|-------------------------------------|-------------------------------------|
| <b>Revenue</b>                                             |      |                                     |                                     |
| Other income                                               | 25   | 698.82                              | 436.91                              |
|                                                            |      | <u>698.82</u>                       | <u>436.91</u>                       |
| <b>Expenses</b>                                            |      |                                     |                                     |
| Cost of fuel, power and water consumed                     | 26   | 287.72                              | 317.69                              |
| Employee benefits expense                                  | 27   | 81.47                               | 305.62                              |
| Finance costs                                              | 28   | 173,179.60                          | 155,529.72                          |
| Depreciation and amortisation expense                      | 29   | 18,790.11                           | 18,814.50                           |
| Other expenses                                             | 30   | 6,513.30                            | 1,785.13                            |
|                                                            |      | <u>198,852.20</u>                   | <u>176,752.66</u>                   |
| <b>Loss before exceptional items and tax</b>               |      | <b>(198,153.38)</b>                 | <b>(176,315.75)</b>                 |
| Exceptional items                                          | 47   | 43,773.00                           | -                                   |
| <b>Loss before tax</b>                                     |      | <b>(241,926.38)</b>                 | <b>(176,315.75)</b>                 |
| Tax expense                                                | 38   | -                                   | -                                   |
| <b>Loss for the year</b>                                   |      | <b>(241,926.38)</b>                 | <b>(176,315.75)</b>                 |
| <b>Other comprehensive income</b>                          |      |                                     |                                     |
| (a) Items that will not be reclassified to profit and loss |      |                                     |                                     |
| (i) Re-measurement of post-employment benefit obligations  |      |                                     |                                     |
|                                                            |      | 7.69                                | 142.12                              |
| <b>Other comprehensive income for the year</b>             |      | <b>7.69</b>                         | <b>142.12</b>                       |
| <b>Total comprehensive loss for the year</b>               |      | <b>(241,918.69)</b>                 | <b>(176,173.63)</b>                 |
| <b>Loss per equity share (face value Rs.10)</b>            |      |                                     |                                     |
| Basic (Rs.)                                                | 42   | (756.56)                            | (551.38)                            |
| Diluted (Rs.)                                              |      | (756.56)                            | (551.38)                            |

Significant accounting policies and accompanying notes are integral part of the financial statements.

This is the statement of Profit and Loss referred to in our report of even date.

Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/ N500013

*Deepak Mittal*

Deepak Mittal

Partner

Membership No. : 503843



For and on behalf of the Board of Directors

←

Jeevagan Narayana Swami Nadar

Director

DIN: 02393291

Place: New Delhi

Date: 12 May 2022

*Chandan Mishra*

Chandan Mishra

Director

DIN: 08837049

Place: New Delhi

Date: 12 May 2022

*Sandeep Mittal*

Sandeep Mittal

Chief Financial Officer

Place: New Delhi

Date: 12 May 2022

*Rahul Mutreja*

Rahul Mutreja

Company Secretary

Place: New Delhi

Date: 12 May 2022

Place: New Delhi

Date: 12 May 2022

Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)

Cash flow statement for the year ended 31 March 2022

(All amount in Rs. Lakhs, unless otherwise stated)

|                                                                       | For the year ended 31<br>March 2022 | For the year ended<br>31 March 2021 |
|-----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                          |                                     |                                     |
| Loss before tax                                                       | (241,926.38)                        | (176,315.75)                        |
| <b>Adjustments for:</b>                                               |                                     |                                     |
| Depreciation and amortisation expense                                 | 18,790.11                           | 18,814.50                           |
| Interest income                                                       | (50.82)                             | (63.49)                             |
| Dividend income                                                       | -                                   | (0.06)                              |
| Finance costs                                                         | 173,179.59                          | 155,529.72                          |
| Net (gain)/ loss on foreign currency transactions and translation     | (45.74)                             | 234.86                              |
| Liabilities written back                                              | (489.13)                            | (249.02)                            |
| Interest on security deposit reversal                                 | 27.52                               | -                                   |
| Investment and loan written off                                       | 5,469.61                            | -                                   |
| Provision for impairment of CWIP                                      | 43,773.00                           | -                                   |
| <b>Operating loss before working capital changes</b>                  | <b>(1,272.24)</b>                   | <b>(2,049.24)</b>                   |
| <b>Movement in working capital</b>                                    |                                     |                                     |
| Decrease in inventories                                               | 21.08                               | 2.37                                |
| Decrease in other financial assets                                    | 0.72                                | -                                   |
| Decrease in other assets                                              | 282.06                              | 1,213.34                            |
| Increase/ (Decrease) in other financial liabilities                   | 299.62                              | (486.61)                            |
| Decrease in other liabilities                                         | (7.17)                              | (32.07)                             |
| <b>Cash used in operating activities post working capital changes</b> | <b>(675.93)</b>                     | <b>(1,352.21)</b>                   |
| Income tax (paid)/ refund (net)                                       | (6.53)                              | 591.67                              |
| <b>Net cash used in operating activities (A)</b>                      | <b>(682.46)</b>                     | <b>(760.54)</b>                     |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                     |                                     |
| Purchase of property, plant and equipments                            | (0.34)                              | -                                   |
| Purchase of capital work-in-progress                                  | (0.42)                              | -                                   |
| Proceeds from sale/disposal of property, plant and equipments         | -                                   | 6.61                                |
| Movement in mutual fund (net)                                         | -                                   | 166.07                              |
| Movement in fixed deposits (net)                                      | 7.48                                | (49.68)                             |
| Interest received                                                     | 68.36                               | 58.35                               |
| Dividend received                                                     | -                                   | 0.06                                |
| <b>Net cash generated from investing activities (B)</b>               | <b>75.08</b>                        | <b>181.41</b>                       |
| <b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |                                     |                                     |
| Proceeds from inter corporate deposit                                 | 736.46                              | 169.00                              |
| Finance cost paid                                                     | (31.33)                             | (150.79)                            |
| <b>Net cash generated from financing activities (C)</b>               | <b>705.13</b>                       | <b>18.21</b>                        |
| <b>Increase/ (Decrease) in cash and cash equivalents (A+B+C)</b>      | <b>97.75</b>                        | <b>(560.92)</b>                     |
| Cash and cash equivalents at the beginning of the year                | (412.75)                            | 148.17                              |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>(315.00)</b>                     | <b>(412.75)</b>                     |

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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
**Cash flow statement for the year ended 31 March 2022**  
 (All amount in Rs. Lakhs, unless otherwise stated)

|                                                       | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------------------------|------------------------|------------------------|
| <b>Notes:</b>                                         |                        |                        |
| <b>a) Cash and cash equivalent comprises of :</b>     |                        |                        |
| Cash on hand                                          | 3.78                   | 3.82                   |
| <i>Balances with banks</i>                            |                        |                        |
| Current accounts                                      | 4.99                   | 5.51                   |
| Deposits with original maturity of less than 3 months | 153.77                 | 100.75                 |
| Less: Book overdraft as per note 20                   | <u>(477.54)</u>        | <u>(522.83)</u>        |
|                                                       | <u><u>(315.00)</u></u> | <u><u>(412.75)</u></u> |

b) Refer note 49 for reconciliation of liabilities arising from financing activities

Significant accounting policies and accompanying notes are integral part of the financial statements.


This is the cash flow statement referred to in our report of even date.

Walker Chandiook & Co LLP  
 Chartered Accountants  
 Firm Registration No.: 001076N/ N500013

**Deepak Mittal**  
 Partner  
 Membership No. : 503843

Place: New Delhi  
 Date: 12 May 2022

For and on behalf of the Board of Directors

  
**Jeevagan Narayana Swami Nadar**  
 Director  
 DIN: 02393291  
 Place: New Delhi  
 Date: 12 May 2022

  
**Sandeep Mittal**  
 Chief Financial Officer  
 Place: New Delhi  
 Date: 12 May 2022

  
**Chandan Mishra**  
 Director  
 DIN: 08837049  
 Place: New Delhi  
 Date: 12 May 2022

  
**Rahul Mutreja**  
 Company Secretary  
 Place: New Delhi  
 Date: 12 May 2022



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)

Statement of change in equity for the year ended 31 March 2022

(All amount in Rs. Lakhs, unless otherwise stated)

A Equity share capital (refer note 16)

| Particulars          | Balance as at 1 April 2020 | Movement during the year | Balance as at 31 March 2021 | Movement during the year | Balance as at 31 March 2022 |
|----------------------|----------------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
| Equity share capital | 3,197.72                   | -                        | 3,197.72                    | -                        | 3,197.72                    |

B Other equity (refer note 17)

| Particulars                 | Other equity         |                                  |                  | Total        |
|-----------------------------|----------------------|----------------------------------|------------------|--------------|
|                             | Reserves and surplus |                                  |                  |              |
|                             | Securities premium   | Employee's stock options reserve | Retained earning |              |
| Balance as at 1 April 2020  | 299,423.83           | 4.40                             | (541,467.89)     | (242,039.66) |
| Loss for the year           | -                    | -                                | (176,315.75)     | (176,315.75) |
| Other comprehensive income  | -                    | -                                | 142.12           | 142.12       |
| Balance as at 31 March 2021 | 299,423.83           | 4.40                             | (717,641.52)     | (418,213.29) |
| Loss for the year           | -                    | -                                | (241,926.38)     | (241,926.38) |
| Other comprehensive income  | -                    | -                                | 7.69             | 7.69         |
| Balance as at 31 March 2022 | 299,423.83           | 4.40                             | (959,560.21)     | (660,131.98) |


Significant accounting policies and accompanying notes are integral part of the financial statements.


This is the statement of changes in equity referred to in our report of even date.

Walker Chandiok & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/ N500013

For and on behalf of the Board of Directors


  
Deepak Mittal  
Partner  
Membership No. : 503843



  
Jeevagan Narayana Swami Nadar  
Director  
DIN: 02393291  
Place: New Delhi  
Date: 12 May 2022

  
Chandan Mishra  
Director  
DIN: 08837049  
Place: New Delhi  
Date: 12 May 2022

Place: New Delhi  
Date: 12 May 2022

  
Sandeep Mittal  
Chief Financial Officer  
Place: New Delhi  
Date: 12 May 2022

  
Rahul Mutreja  
Company Secretary  
Place: New Delhi  
Date: 12 May 2022

## Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)

### Significant accounting policies and notes to the financial statements for the year ended 31 March 2022

(All amount in Rs. Lakhs, unless otherwise stated)

#### 1 Corporate Information

##### Nature of Operations

Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited) ("the Company", "STPL") was incorporated on 3 January 2007 as a wholly owned subsidiary of RattanIndia Power Limited and is principally engaged in the business of dealing in power generation, distribution, trading and transmission and other ancillary and incidental activities.

#### 2 General information and statement of compliance with Ind AS

A. The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 ("Act") read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ("MCA")), as amended, and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. The financial statements for the year ended 31 March 2022 were approved by the Board of Directors on 12 May 2022.

##### B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

#### 3 Summary of significant accounting policies

##### a) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

##### Basis of preparation

The financial statements have been prepared on going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans – liability of which is recognised as per actuarial valuation; and
- Share based payments which are measured at fair value of the options

##### b) Current and non-current classification

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

*An asset is classified as current when it satisfies any of the following criteria:*

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle. - it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

*A liability is classified as current when it satisfies any of the following criteria:*

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/liabilities include current portion of noncurrent financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as noncurrent assets and liabilities.

##### c) Operating cycle

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of assets and liabilities.

##### d) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

##### Interest Income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

##### Dividend Income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

##### e) Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Any income earned on the temporary deployment/ investment of those borrowings is deducted from the borrowing costs so incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.



**f) Property, plant and equipment**

*Recognition and initial measurement*

Properties, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013:

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

*De-recognition*

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 de-recognition 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.

**g) Intangible assets**

*Recognition and initial measurement*

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

*Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period in the range of three to five years from the date of its acquisition.

**h) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

**i) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, unless the financial instrument is designated to be measured at fair value through profit or loss or fair value through other comprehensive income.

**Financial assets**

*Subsequent measurement*

**Financial assets at amortised cost** – The financial assets are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model. All investments in mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

*De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

*Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

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



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**

(All amount in Rs. Lakhs, unless otherwise stated)

**j) Investments in subsidiaries, joint ventures and associates**

The Company has accounted for its subsidiaries and associates, joint ventures at cost in its financial statements in accordance with Ind AS 27, Separate Financial Statements.

Profit/ loss on sale of investments are recognised on the date of the transaction of sale and are computed with reference to the original cost of the investment sold.

**k) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, life time impairment loss is provided otherwise provides for 12 months expected credit losses.

**l) Inventories**

Inventories are valued at the lower of cost derived on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of consumption, including octroi and other levies, transit insurance and receiving charges.

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

**m) Income Taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income ("OCI") or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. 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. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

**n) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

**o) Post-employment, long term and short term employee benefits**

*Defined contribution plans*

The Company makes contribution to the statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the services are rendered.

*Defined benefit plans*

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit actuarial method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

*Other long-term employee benefits*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

*Short-term employee benefits*

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**

(All amount in Rs. Lakhs, unless otherwise stated)

**p) Asset held for sale**

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

**q) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.

**r) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss 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.

**s) Lease**

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

**Classification of leases**

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

**Recognition and initial measurement**

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

**Subsequent measurement**

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit and loss on a straight-line basis over the lease term.

**t) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

*Significant management judgements*

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties under the relevant tax jurisdiction (see note 36).

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**

(All amount in Rs. Lakhs, unless otherwise stated)

**Defined benefit obligation (DBO)** – Management’s estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

**Provisions** – At each balance sheet date on the basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions. However the actual future outcome may be different from this judgement.

**Useful lives of depreciable/ amortisable assets**

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.



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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2022  
 (All amount in Rs. Lakhs, unless otherwise stated)

4A. Property, plant and equipment

| Particulars                        | Buildings<br>Plant | Plant and<br>equipment | Furniture<br>and fixtures | Vehicles      | Office<br>equipment | Computers    | Tools &<br>tackles | Railway<br>sidings | Total             |
|------------------------------------|--------------------|------------------------|---------------------------|---------------|---------------------|--------------|--------------------|--------------------|-------------------|
| <b>Gross carrying amount</b>       |                    |                        |                           |               |                     |              |                    |                    |                   |
| Balance as at 1 April 2020         | 18,852.38          | 764,231.87             | 214.22                    | 419.96        | 120.76              | 65.51        | 4.03               | 118.32             | 784,027.05        |
| Additions                          | -                  | -                      | -                         | -             | -                   | -            | -                  | -                  | -                 |
| Disposals/adjustments              | -                  | -                      | -                         | -             | -                   | -            | -                  | -                  | -                 |
| <b>Balance as at 31 March 2021</b> | <b>18,852.38</b>   | <b>764,231.87</b>      | <b>214.22</b>             | <b>419.96</b> | <b>120.76</b>       | <b>65.51</b> | <b>4.03</b>        | <b>118.32</b>      | <b>784,027.05</b> |
| Additions                          | -                  | -                      | 0.12                      | -             | 0.18                | -            | 0.05               | -                  | 0.35              |
| Disposals/adjustments              | -                  | -                      | -                         | -             | -                   | -            | -                  | -                  | -                 |
| <b>Balance as at 31 March 2022</b> | <b>18,852.38</b>   | <b>764,231.87</b>      | <b>214.34</b>             | <b>419.96</b> | <b>120.94</b>       | <b>65.51</b> | <b>4.08</b>        | <b>118.32</b>      | <b>784,027.40</b> |
| <b>Accumulated depreciation</b>    |                    |                        |                           |               |                     |              |                    |                    |                   |
| Balance as at 1 April 2020         | 3,850.55           | 67,102.16              | 181.04                    | 392.37        | 119.04              | 65.51        | 4.03               | 30.41              | 71,745.11         |
| Charge for the year                | 594.76             | 18,081.15              | 15.66                     | 9.24          | 1.15                | -            | -                  | 7.89               | 18,709.85         |
| Disposals/adjustments              | -                  | -                      | -                         | -             | -                   | -            | -                  | -                  | -                 |
| <b>Balance as at 31 March 2021</b> | <b>4,445.31</b>    | <b>85,183.31</b>       | <b>196.70</b>             | <b>401.61</b> | <b>120.19</b>       | <b>65.51</b> | <b>4.03</b>        | <b>38.30</b>       | <b>90,454.96</b>  |
| Charge for the year                | 581.39             | 18,081.41              | 8.44                      | 8.06          | 0.56                | -            | -                  | 7.89               | 18,687.75         |
| Disposals/adjustments              | -                  | -                      | -                         | -             | -                   | -            | -                  | -                  | -                 |
| <b>Balance as at 31 March 2022</b> | <b>5,026.70</b>    | <b>103,264.72</b>      | <b>205.14</b>             | <b>409.67</b> | <b>120.75</b>       | <b>65.51</b> | <b>4.03</b>        | <b>46.19</b>       | <b>109,142.71</b> |
| <b>Net carrying amount</b>         |                    |                        |                           |               |                     |              |                    |                    |                   |
| Balance as at 31 March 2021        | 14,407.07          | 679,048.56             | 17.52                     | 18.35         | 0.57                | -            | -                  | 80.02              | 693,572.09        |
| Balance as at 31 March 2022        | 13,825.68          | 660,967.15             | 9.20                      | 10.29         | 0.19                | -            | 0.05               | 72.13              | 674,884.69        |

(i) Term loans are secured by first mortgage and charge on all immovable and movable assets, both present and future, of the Nashik project phase-I. (refer note 18 and note 40)



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**4B. Capital work-in-progress**

| Particulars                                        | Capital work-in-progress | Total             |
|----------------------------------------------------|--------------------------|-------------------|
| <b>Gross carrying amount</b>                       |                          |                   |
| Balance as at 1 April 2020                         | 146,122.75               | 146,122.75        |
| Additions                                          | -                        | -                 |
| Disposals/adjustments                              | 993.85                   | 993.85            |
| <b>Balance as at 31 March 2021</b>                 | <b>145,128.90</b>        | <b>145,128.90</b> |
| Additions                                          | -                        | -                 |
| Disposals/adjustments (Phase-1)                    | 442.51                   | 442.51            |
| Provision for impairment (Phase-2) - refer note 47 | 43,773.00                | 43,773.00         |
| <b>Balance as at 31 March 2022</b>                 | <b>100,913.39</b>        | <b>100,913.39</b> |

Project wise details are as follows:

| Particulars    | Amount as on 31 March 2022 |
|----------------|----------------------------|
| CWIP Phase 1*  | 100,913.39                 |
| CWIP Phase 2** | -                          |

\* Considering the recent developments enumerated in note 46, the management has assessed the CWIP to be active and is hopeful of the project getting completed alongwith other activities in near future.

\*\* As enumerated in note 47, the activities related to CWIP Phase-2 have been suspended and accordingly, during the current year, the Company has accounted for impairment loss against CWIP Phase-2.

Capital work-in-progress ageing schedule for 31 March 2022 and 31 March 2021 is as follows:

| Particulars                       | Amount in capital work-in-progress for the period of |           |           |                   | Total      |
|-----------------------------------|------------------------------------------------------|-----------|-----------|-------------------|------------|
|                                   | Less than 1 year                                     | 1-2 years | 2-3 years | More than 3 years |            |
| Project in progress 31 March 2022 | -                                                    | -         | -         | 100,913.39        | 100,913.39 |
| Project in progress 31 March 2021 | -                                                    | -         | 43,780.57 | 101,348.33        | 145,128.90 |

**4C. Right of use**

| Particulars                        | Right of use    | Total           |
|------------------------------------|-----------------|-----------------|
| <b>Gross carrying amount</b>       |                 |                 |
| Balance as at 1 April 2020         | 9,201.83        | 9,201.83        |
| Additions                          | -               | -               |
| Disposals/adjustments              | -               | -               |
| <b>Balance as at 31 March 2021</b> | <b>9,201.83</b> | <b>9,201.83</b> |
| Additions                          | -               | -               |
| Disposals/adjustments              | -               | -               |
| <b>Balance as at 31 March 2022</b> | <b>9,201.83</b> | <b>9,201.83</b> |
| <b>Accumulated depreciation</b>    |                 |                 |
| Balance as at 1 April 2020         | 919.98          | 919.98          |
| Charge for the year                | 102.24          | 102.24          |
| Disposals/adjustments              | -               | -               |
| <b>Balance as at 31 March 2021</b> | <b>1,022.22</b> | <b>1,022.22</b> |
| Charge for the year                | 102.19          | 102.19          |
| Disposals/adjustments              | -               | -               |
| <b>Balance as at 31 March 2022</b> | <b>1,124.41</b> | <b>1,124.41</b> |
| <b>Net carrying amount</b>         |                 |                 |
| Balance as at 31 March 2021        | 8,179.61        | 8,179.61        |
| Balance as at 31 March 2022        | 8,077.42        | 8,077.42        |



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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2022  
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5. Intangible assets

| Particulars                        | Software      | Total         |
|------------------------------------|---------------|---------------|
| <b>Gross carrying amount</b>       |               |               |
| Balance as at 1 April 2020         | 240.18        | 240.18        |
| Additions                          | -             | -             |
| Disposals/adjustments              | -             | -             |
| <b>Balance as at 31 March 2021</b> | <b>240.18</b> | <b>240.18</b> |
| Additions                          | -             | -             |
| Disposals/adjustments              | -             | -             |
| <b>Balance as at 31 March 2022</b> | <b>240.18</b> | <b>240.18</b> |
| <b>Accumulated depreciation</b>    |               |               |
| Balance as at 1 April 2020         | 237.60        | 237.60        |
| Additions                          | 2.41          | 2.41          |
| Disposals/adjustments              | -             | -             |
| <b>Balance as at 31 March 2021</b> | <b>240.01</b> | <b>240.01</b> |
| Charge for the year                | 0.17          | 0.17          |
| Disposals/adjustments              | -             | -             |
| <b>Balance as at 31 March 2022</b> | <b>240.18</b> | <b>240.18</b> |
| <b>Net carrying amount</b>         |               |               |
| Balance as at 31 March 2021        | 0.17          | 0.17          |
| Balance as at 31 March 2022        | -             | -             |

(i) Term loans are secured by first mortgage and charge on all immovable and movable assets, both present and future, of the Nashik project phase-I. (refer note 18 and note 40)



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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
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 (All amount in Rs. Lakhs, unless otherwise stated)

**6A. Non-current investments**

**(a) Investments in non-trade equity instruments**

**Unquoted, in fully paid equity instruments of subsidiary companies (at cost)**

Sinnar Power Transmission Company Limited

Less: Provision for impairment

**Investments in equity instruments**

| 31 March 2022                                                   |            | 31 March 2021  |                 |
|-----------------------------------------------------------------|------------|----------------|-----------------|
| No. of shares                                                   | Amounts    | No. of shares  | Amounts         |
| 500,864                                                         | 5,058.61   | 920,010        | 5,058.61        |
| -                                                               | (5,058.61) | -              | -               |
| <b>500,864</b>                                                  | <b>-</b>   | <b>920,010</b> | <b>5,058.61</b> |
| Aggregate amount of quoted investments and market value thereof |            | -              | -               |
| Aggregate amount of unquoted investments                        |            | -              | 5,058.61        |
| Aggregate amount of impairment in the value of investments      |            | 5,058.61       | -               |

(i) Term loan from Power Finance Corporation to Sinnar Power Transmission Company Limited is secured by pledge of 500,864 (31 March 2021: 920,010) equity shares invested in Sinnar Power Transmission Company Limited.

(ii) During the current year, the Company has written off investment in Sinnar Power Transmission Company Limited of Rs. 5,058.61 lakhs on account of impairment. Subsequent to that, the Company has sold 419,152 equity shares of Sinnar Power Transmission Company Limited at Re. 1, resulting in decrease in shareholding from 100% to 54.44% and accordingly the same has been reclassified as asset held for sale (also refer note 11 & 48).

**6B. Current investments**

**Unquoted, non trade (at FVTPL)**

Investments in mutual funds

Aggregate amount of quoted investments and market value thereof

Aggregate amount of unquoted investments

Aggregate amount of impairment in the value of investments

| 31 March 2022 | 31 March 2021 |
|---------------|---------------|
| -             | -             |
| -             | -             |
| -             | -             |

**7. Loans (unsecured, considered good)**

Loans to:

Employees

Inter corporate deposits\*

Credit impaired (refer note 48)

| 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
|---------------|---------------|---------------|---------------|
| Non-current   |               | Current       |               |
| -             | -             | 0.33          | 0.31          |
| 411.00        | 411.00        | -             | -             |
| 411.00        | 411.00        | 0.33          | 0.31          |
| (411.00)      | -             | -             | -             |
| <b>-</b>      | <b>411.00</b> | <b>0.33</b>   | <b>0.31</b>   |

\* Inter corporate deposits was given interest free to related party and is recoverable on demand

**8. Other financial assets**

Security deposits:

Premises

Others

Bank deposits with more than 12 months maturity (i)

Advances recoverable

Others

| 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
|---------------|---------------|---------------|---------------|
| Non-current   |               | Current       |               |
| 0.58          | 0.53          | 121.15        | 120.47        |
| 316.74        | 316.74        | 12.75         | 41.47         |
| 70.71         | 59.88         | -             | -             |
| -             | -             | 23.50         | 23.52         |
| <b>388.03</b> | <b>377.15</b> | <b>157.40</b> | <b>185.46</b> |

(i) Pledged against bank guarantees, refer note 31B(1)

**9. Non-current tax assets (net)**

Advance income tax/ tax deducted at source (net of provision)

| 31 March 2022 | 31 March 2021 |
|---------------|---------------|
| 141.19        | 134.66        |
| <b>141.19</b> | <b>134.66</b> |

**10. Other assets (unsecured, considered good)**

Capital advances

Other advances

Prepaid expenses

Balances with statutory authorities

Service tax recoverable

| 31 March 2022 | 31 March 2021 | 31 March 2022   | 31 March 2021   |
|---------------|---------------|-----------------|-----------------|
| Non-current   |               | Current         |                 |
| 93.30         | 93.30         | -               | -               |
| -             | -             | 1,810.15        | 1,804.71        |
| 6.58          | 6.78          | 5.57            | 292.70          |
| -             | 0.90          | -               | -               |
| -             | 0.90          | -               | -               |
| <b>99.88</b>  | <b>100.98</b> | <b>1,815.72</b> | <b>2,097.41</b> |

**11. Asset held for sale**

Investment in equity share (Re. 1/-)

| 31 March 2022 | 31 March 2021 |
|---------------|---------------|
| -             | -             |
| -             | -             |

Pursuant to share purchase agreement between Nettle Constructions Private Limited ("Buyer-related party") and the Company, during the year the Company has transferred 45.56% stake in its wholly-owned subsidiary, Sinnar Power Transmission Company Limited ("SPTCL") as per the terms agreed. Subsequent to the year-end, the company has transferred additional 21.78% stake to the buyer. Accordingly, assets and liabilities pertaining to SPTCL have been presented at net realisable value of Re. 1/- in these financial statements (refer note 48).



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
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 (All amount in Rs. Lakhs, unless otherwise stated)

**12. Inventories (valued at cost, unless otherwise stated)**

|                           | 31 March 2022 | 31 March 2021 |
|---------------------------|---------------|---------------|
| Coal - stores             | 854.91        | 854.91        |
| Light diesel oil - stores | 68.59         | 68.62         |
| Stores and spares         | 17.38         | 30.83         |
| Other consumables         | 0.30          | 0.33          |
|                           | <b>941.18</b> | <b>954.69</b> |

**13. Trade receivables (Unsecured unless otherwise stated, at amortised cost)**

|                                  | 31 March 2022 | 31 March 2021 |
|----------------------------------|---------------|---------------|
| Debtors for others               |               |               |
| (i) Considered good - Secured    | -             | -             |
| (ii) Considered good - Unsecured | -             | -             |
|                                  | <b>-</b>      | <b>-</b>      |

Trade receivable ageing schedule for 31 March 2022 and 31 March 2021 is as follows:

| Particulars                                                    | Outstanding for following periods from due date of payment |                    |                    |           |           |                   | Total |
|----------------------------------------------------------------|------------------------------------------------------------|--------------------|--------------------|-----------|-----------|-------------------|-------|
|                                                                | Not due                                                    | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years |       |
| Trade receivable - Considered good - Secured (31 March 2022)   | -                                                          | -                  | -                  | -         | -         | -                 | -     |
| Trade receivable - Considered good - Secured (31 March 2021)   | -                                                          | -                  | -                  | -         | -         | -                 | -     |
| Trade receivable - Considered good - Unsecured (31 March 2022) | -                                                          | -                  | -                  | -         | -         | -                 | -     |
| Trade receivable - Considered good - Unsecured (31 March 2021) | -                                                          | -                  | -                  | -         | -         | -                 | -     |

**14. Cash and cash equivalents**

|                                                           | 31 March 2022 | 31 March 2021 |
|-----------------------------------------------------------|---------------|---------------|
| Cash on hand                                              | 3.78          | 3.82          |
| Balances with banks                                       |               |               |
| Current accounts                                          | 4.99          | 5.51          |
| Deposits with original maturity of less than 3 months (i) | 153.77        | 100.75        |
|                                                           | <b>162.54</b> | <b>110.08</b> |

(i) Pledged against bank guarantees, refer note 31(B)(1)

**15. Other bank balances**

|                                                                                          | 31 March 2022 | 31 March 2021 |
|------------------------------------------------------------------------------------------|---------------|---------------|
| Fixed deposits with original maturity for more than 3 months but less than 12 months (i) | 513.39        | 548.75        |
|                                                                                          | <b>513.39</b> | <b>548.75</b> |

(i) Pledged against bank guarantees, refer note 31(B)(1)

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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**  
 (All amount in Rs. Lakhs, unless otherwise stated)

|                                                                                   | 31 March 2022   | 31 March 2021   |
|-----------------------------------------------------------------------------------|-----------------|-----------------|
| <b>16. Equity share capital</b>                                                   |                 |                 |
| <b>Authorised capital</b>                                                         |                 |                 |
| 65,300,000 (31 March 2021: 65,300,000) equity shares of Rs. 10 each               | 6,530.00        | 6,530.00        |
|                                                                                   | <b>6,530.00</b> | <b>6,530.00</b> |
| <b>Issued, subscribed and fully paid up capital</b>                               |                 |                 |
| 31,977,246 (31 March 2021: 31,977,246) equity shares of Rs. 10 each fully paid up | 3,197.72        | 3,197.72        |
|                                                                                   | <b>3,197.72</b> | <b>3,197.72</b> |

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.**

|                                             | 31 March 2022     |                 | 31 March 2021     |                 |
|---------------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                             | No of shares      | Amounts         | No of shares      | Amounts         |
| Equity shares at the beginning of the year  | 31,977,246        | 3,197.72        | 31,977,246        | 3,197.72        |
| Add : Issued during the year                | -                 | -               | -                 | -               |
| <b>Equity shares at the end of the year</b> | <b>31,977,246</b> | <b>3,197.72</b> | <b>31,977,246</b> | <b>3,197.72</b> |

**b) Rights/restrictions attached to equity shares**

The Company has only one class of equity shares with voting rights, having a par value of Rs 10 per share. Each shareholder of equity shares is entitled to one vote per share held. Each share is entitled to dividend, if declared, in Indian rupees. The dividend, if any, proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares held by Holding Company**

|                                                                                   | 31 March 2022 | 31 March 2021 |
|-----------------------------------------------------------------------------------|---------------|---------------|
| <b>RattanIndia Power Limited</b>                                                  |               |               |
| 31,977,246 (31 March 2021: 31,977,246) equity shares of Rs. 10 each fully paid up | 3,197.72      | 3,197.72      |

**d) Details of shareholders holding more than 5% shares in the company**

|                                                   | As at 31 March 2022 |                     | As at 31 March 2021 |                     |
|---------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                   | No of shares        | % Holding           | No of shares        | % Holding           |
| <b>Equity shares of Rs. 10 each fully paid up</b> |                     |                     |                     |                     |
| RattanIndia Power Limited and its nominees        | 31,977,246          | 100 <sup>th</sup> % | 31,977,246          | 100 <sup>th</sup> % |

e) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

**f) Detail of share held by promoters**

| Promoter                  | No of shares  |               | % of total shares   |                     | % change during the year |
|---------------------------|---------------|---------------|---------------------|---------------------|--------------------------|
|                           | 31 March 2022 | 31 March 2021 | 31 March 2022       | 31 March 2021       |                          |
| RattanIndia Power Limited | 31,977,246    | 31,977,246    | 100 <sup>th</sup> % | 100 <sup>th</sup> % | -                        |
|                           |               |               |                     |                     | -                        |

**17. Other equity**

|                                  | 31 March 2022       | 31 March 2021       |
|----------------------------------|---------------------|---------------------|
| Retained earnings                | (959,560.21)        | (717,641.52)        |
| Securities premium               | 299,423.83          | 299,423.83          |
| Employee's stock options reserve | 4.40                | 4.40                |
|                                  | <b>(660,131.98)</b> | <b>(418,213.29)</b> |

**Nature and purpose of other reserves**

**Securities premium**

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Employee's stock options reserve**

The reserve account is used to recognise the grant date value of options issued to employees under Parent Company Employee stock option plan.



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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**  
 (All amount in Rs. Lakhs, unless otherwise stated)

**20. Other financial liabilities**

|                                                       | 31 March 2022   | 31 March 2021   | 31 March 2022     | 31 March 2021     |
|-------------------------------------------------------|-----------------|-----------------|-------------------|-------------------|
|                                                       | Non-current     |                 | Current           |                   |
| Retention money                                       | 5,474.29        | 5,664.33        | 22,181.15         | 22,117.78         |
| Interest accrued but not due - term loans             | -               | -               | 11,307.16         | 11,307.15         |
| Interest accrued and due - term loans                 | -               | -               | 672,080.76        | 500,617.37        |
| Security deposit from customers                       | -               | -               | 32.29             | 32.29             |
| Earnest money deposit payable                         | -               | -               | 6.00              | 6.00              |
| Expenses payable                                      | -               | -               | 12,637.00         | 13,163.27         |
| Payables on purchase of property, plant and equipment | -               | -               | 15.72             | 33.40             |
| Temporary overdrawn balances                          | -               | -               | 477.54            | 522.83            |
|                                                       | <b>5,474.29</b> | <b>5,664.33</b> | <b>718,737.62</b> | <b>547,800.09</b> |

**21. Provisions**

|                                                        | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
|--------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                        | Non-current   |               | Current       |               |
| <b>Provision for employee benefits (refer note 34)</b> |               |               |               |               |
| Provision for compensated absences                     | 2.41          | 3.16          | 0.06          | 0.07          |
| Provision for gratuity                                 | 13.02         | 18.58         | 0.32          | 7.17          |
|                                                        | <b>15.43</b>  | <b>21.74</b>  | <b>0.38</b>   | <b>7.24</b>   |

**22. Borrowings (short-term)**

|                                                      | 31 March 2022     | 31 March 2021     |
|------------------------------------------------------|-------------------|-------------------|
| <b>Secured</b>                                       |                   |                   |
| Current maturities of                                |                   |                   |
| Term loan from consortium of banks                   | 81,362.05         | 66,256.77         |
| Term loan from consortium of financial institutions  | 230,433.34        | 181,795.16        |
| <b>Unsecured</b>                                     |                   |                   |
| Loans from related party - inter corporate deposits* | 8,323.48          | 7,587.02          |
|                                                      | <b>320,118.87</b> | <b>255,638.95</b> |

\* Inter corporate deposit taken as interest free from related party and is repayable on demand

**23. Trade payables**

|                                                                                        | 31 March 2022 | 31 March 2021 |
|----------------------------------------------------------------------------------------|---------------|---------------|
| Total outstanding dues of micro enterprises and small enterprises (refer note 50)      | -             | -             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 515.03        | 515.03        |
|                                                                                        | <b>515.03</b> | <b>515.03</b> |

Trade payable ageing schedule for 31 March 2022 and 31 March 2021 is as follows:

| Particulars                                        | Outstanding for following periods from due date of payment |                  |           |           |                   | Total  |
|----------------------------------------------------|------------------------------------------------------------|------------------|-----------|-----------|-------------------|--------|
|                                                    | Not due                                                    | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |        |
| Outstanding due to MSME (31 March 2022)            | -                                                          | -                | -         | -         | -                 | -      |
| Outstanding due to MSME (31 March 2021)            | -                                                          | -                | -         | -         | -                 | -      |
| Outstanding due to other than MSME (31 March 2022) | -                                                          | -                | -         | -         | 515.03            | 515.03 |
| Outstanding due to other than MSME (31 March 2021) | -                                                          | -                | -         | -         | 515.03            | 515.03 |

**24. Other current liabilities**

|                           | 31 March 2022 | 31 March 2021 |
|---------------------------|---------------|---------------|
| Statutory dues            | 0.65          | 1.96          |
| Other current liabilities | 6.76          | 7.13          |
|                           | <b>7.41</b>   | <b>9.09</b>   |



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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**  
 (All amount in Rs. Lakhs, unless otherwise stated)

**18. Borrowings**

|                                           | 31 March 2022     | 31 March 2021     | 31 March 2022     | 31 March 2021     |
|-------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                           | Non-current       |                   | Current           |                   |
| <b>Secured</b>                            |                   |                   |                   |                   |
| <b>Term loans</b>                         |                   |                   |                   |                   |
| From consortium of banks                  | 60,504.30         | 75,073.80         | 81,362.05         | 66,256.77         |
| From consortium of financial institutions | 339,549.10        | 387,038.17        | 230,433.34        | 181,795.16        |
|                                           | <b>400,053.40</b> | <b>462,111.97</b> | <b>311,795.39</b> | <b>248,051.93</b> |

(i) Loans from consortium of banks aggregating to Rs. 141,866.35 lakhs (31 March 2021: Rs. 141,330.57 lakhs) and from financial institutions aggregating to Rs. 569,982.44 lakhs (31 March 2021: Rs. 568,833.33 lakhs) alongwith non fund based facilities from banks are secured by way of first mortgage and charge on all immovable and movable assets, both present and future, of the Nashik project phase 1. The aforesaid phase 1 loans are further secured by pledge of 31,977,246 (31 March 2021: 31,977,246) equity shares of the STPL in favour of Security Trustee for the benefit of the consortium of banks and financial institutions towards term loan facility and bank guarantee facility of Axis Bank on a pari-passu basis vide share pledge agreement dated 18 January 2019, such that 100% of the equity share capital of the Company is pledged as security for the due repayment of the Secured Obligation.

(ii) Term loan from consortium of banks and financial institutions are repayable in quarterly instalments as follows:

| Financial year | 31 March 2022*         |                  |                   | 31 March 2021*         |                  |                   |
|----------------|------------------------|------------------|-------------------|------------------------|------------------|-------------------|
|                | Financial institutions | Banks            | Total             | Financial institutions | Banks            | Total             |
| 2021-22        | -                      | -                | -                 | 44,696.73              | 14,793.10        | 59,489.83         |
| 2022-23        | 48,630.46              | 14,793.10        | 63,423.56         | 48,630.46              | 14,793.10        | 63,423.56         |
| 2023-24        | 41,898.74              | 14,793.10        | 56,691.84         | 41,898.74              | 14,793.10        | 56,691.84         |
| 2024-25        | 41,898.74              | 14,793.10        | 56,691.84         | 41,898.74              | 14,793.10        | 56,691.84         |
| 2025-26        | 41,898.74              | 14,793.10        | 56,691.84         | 41,898.74              | 14,793.10        | 56,691.84         |
| 2026-27        | 41,898.74              | 14,793.10        | 56,691.84         | 41,898.74              | 14,793.10        | 56,691.84         |
| 2027-28        | 41,898.74              | 1,332.00         | 43,230.74         | 41,898.74              | 1,332.00         | 43,230.74         |
| 2028-29        | 41,898.74              | -                | 41,898.74         | 41,898.74              | -                | 41,898.74         |
| 2029-30        | 32,158.48              | -                | 32,158.48         | 32,158.48              | -                | 32,158.48         |
| 2030-31        | 22,418.22              | -                | 22,418.22         | 22,418.22              | -                | 22,418.22         |
| 2031-32        | 22,418.22              | -                | 22,418.22         | 22,418.22              | -                | 22,418.22         |
| 2032-33        | 11,161.70              | -                | 11,161.70         | 11,161.70              | -                | 11,161.70         |
|                | <b>388,179.55</b>      | <b>75,297.50</b> | <b>463,477.05</b> | <b>432,876.29</b>      | <b>90,090.60</b> | <b>522,966.89</b> |

\* The above schedule is based on sanction letters without considering the impact of defaults made by the Company.

(iii) The above mentioned loans from consortium of banks and financial institutions carry floating rates of interest ranging from 12.85% p.a. to 15.15% p.a. (31 March 2021: 12.85% p.a. to 15.15% p.a.).

(iv) The company has defaulted in repayment of principal and interest in respect of loans from bank and financial institutions as mentioned below:

|                                          | 0-3 Months       | 3-12 Months      | More than 12 Months | Total             |
|------------------------------------------|------------------|------------------|---------------------|-------------------|
| <b>Consortium financial institutions</b> |                  |                  |                     |                   |
| Principal                                | 11,174.18        | 33,522.55        | 137,106.14          | 181,802.87        |
| Interest                                 | 20,201.82        | 59,946.70        | 466,608.97          | 546,757.49        |
| <b>Total</b>                             | <b>31,376.00</b> | <b>93,469.25</b> | <b>603,715.11</b>   | <b>728,560.36</b> |
| <b>Consortium banks</b>                  |                  |                  |                     |                   |
| Principal                                | 3,698.28         | 11,094.83        | 51,775.74           | 66,568.85         |
| Interest                                 | 4,722.03         | 25,634.00        | 94,967.24           | 125,323.27        |
| <b>Total</b>                             | <b>8,420.31</b>  | <b>36,728.83</b> | <b>146,742.98</b>   | <b>191,892.12</b> |

**19. Lease liabilities**

|                 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
|-----------------|---------------|---------------|---------------|---------------|
|                 | Non-current   |               | Current       |               |
| Lease liability | 106.99        | 107.00        | -             | -             |
|                 | <b>106.99</b> | <b>107.00</b> | -             | -             |



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2022  
 (All amount in Rs. Lakhs, unless otherwise stated)

25. Other income

Income from current investments

Profit on sale of mutual fund

Interest on

Bank deposits  
 Income tax refund  
 Security deposits

Other income

Rental income  
 Gain on foreign currency transactions and translation (net)  
 Liabilities/ provisions written back  
 Miscellaneous income

|  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
|  | -             | 0.06          |
|  | -             | <b>0.06</b>   |
|  | 37.36         | 44.40         |
|  | -             | 56.49         |
|  | 13.46         | 19.09         |
|  | <b>50.82</b>  | <b>119.98</b> |
|  | 57.00         | -             |
|  | 45.74         | -             |
|  | 489.13        | 249.02        |
|  | 56.13         | 67.85         |
|  | <b>648.00</b> | <b>316.87</b> |
|  | <b>698.82</b> | <b>436.91</b> |

Transaction price - remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed till the reporting period.

26. Cost of fuel, power and water consumed

Electricity consumed  
 Consumable consumed  
 Water consumed

|  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
|  | 47.78         | 45.69         |
|  | 6.57          | 3.47          |
|  | 233.37        | 268.53        |
|  | <b>287.72</b> | <b>317.69</b> |

27. Employee benefits expense

Salaries and wages  
 Contribution to provident and other funds  
 Provision for gratuity  
 Provision for compensated absences  
 Staff welfare expenses

|  | 31 March 2022 | 31 March 2021 |
|--|---------------|---------------|
|  | 73.05         | 287.69        |
|  | 3.81          | 5.05          |
|  | 3.11          | 12.79         |
|  | 1.32          | -             |
|  | 0.18          | 0.09          |
|  | <b>81.47</b>  | <b>305.62</b> |

28. Finance costs

Interest on

Term loans  
 Others

Other finance costs

Finance charges  
 Bank guarantee charges

|  | 31 March 2022     | 31 March 2021     |
|--|-------------------|-------------------|
|  | 173,148.26        | 155,379.04        |
|  | 13.17             | 102.67            |
|  | 13.62             | 21.18             |
|  | 4.55              | 26.83             |
|  | <b>173,179.60</b> | <b>155,529.72</b> |

29. Depreciation and amortisation expense

Depreciation on

Property, plant and equipment  
 Right of use

Amortisation on

Intangible assets

|  | 31 March 2022    | 31 March 2021    |
|--|------------------|------------------|
|  | 18,687.75        | 18,709.85        |
|  | 102.19           | 102.24           |
|  | 0.17             | 2.41             |
|  | <b>18,790.11</b> | <b>18,814.50</b> |



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
Significant accounting policies and notes to the financial statements for the year ended 31 March 2022  
(All amount in Rs. Lakhs, unless otherwise stated)

**30. Other expenses**

|                                                             | 31 March 2022   | 31 March 2021   |
|-------------------------------------------------------------|-----------------|-----------------|
| Rent                                                        | 16.18           | 92.44           |
| Rates and taxes                                             | 58.05           | 89.26           |
| Legal and professional charges                              | 5.42            | 17.85           |
| Communication                                               | 3.09            | 2.94            |
| Operation & maintenance                                     | 281.91          | 389.85          |
| Printing and stationery                                     | 0.39            | 0.67            |
| Travelling and conveyance                                   | 20.76           | 21.56           |
| Insurance expenses                                          | 287.44          | 469.70          |
| Running and maintenance                                     |                 |                 |
| Vehicles                                                    | 8.10            | 8.66            |
| Office                                                      | 0.57            | 1.96            |
| Others                                                      | 0.71            | 1.22            |
| Security expenses                                           | 312.26          | 389.44          |
| Payments to the auditors                                    | 14.16           | 8.26            |
| House keeping expenses                                      | 30.55           | 33.28           |
| Investment and loan written off (refer note 48)             | 5,469.60        | -               |
| Loss on foreign currency transactions and translation (net) | -               | 234.86          |
| Miscellaneous expenses                                      | 4.11            | 23.18           |
|                                                             | <b>6,513.30</b> | <b>1,785.13</b> |



*(This space has been intentionally left blank)*



(All amount in Rs. Lakhs, unless otherwise stated)

**31 Details of contingent liabilities of pending litigations and other matters:**

**A. Contingent liabilities of pending litigations not provided for in respect of:**

1 During the year 2010-2011, the Company entered into a contract with Bharat Heavy Electrical Limited ('BHEL') for erection and supply of certain materials for phase II of its power project at Nashik. Subsequent to this contract, BHEL supplied certain materials which were not warranted at that time and there were various communications made by the Company with BHEL to take off these materials from the site. Against this, BHEL initiated arbitration proceeding against the company, alleging the payment outstanding against the company in respect of the materials so supplied by them. The Hon'ble High Court also disposed off the petition upon the instruction to the parties that petition before Hon'ble High Court be treated as an application under Section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal. Subsequent to this, BHEL filed the following applications on 14 April 2016 with Arbitral Tribunal:

1. Application under Section 17 of the Arbitration and Conciliation Act, 1996 seeking an interim prayer of release of bank guarantees.
2. Application seeking amendment of the claim petition.
3. Application under Section 31(6) of the Arbitration and Conciliation Act, 1996 seeking an interim award on the basis of admissions.

On BHEL's application for seeking interim award based on admissions, the tribunal has heard the arguments of both BHEL and the Company and the tribunal has passed an interim award of Rs 6,300 lakh against the company vide its order dated 27 July 2017. The matter is now at the stage of recording of cross-examination of the witnesses whose affidavits have been filed and dates have been fixed for examination of witness on 6,8,16,22,23 & 25 August 2022. Petition has also been filed by BHEL praying the Hon'ble High Court to issue warrants of attachment/ or auction sale of immovable and movable assets of the company for realizing the amount payable/due as per the Interim award dated 27 July 2017.

The Company filed an appeal against the said interim award on 16 October 2017 with the Hon'ble High Court and based on the legal appraisal of the case, Company is confident that the matter will be disposed off in their favour. The matter is now listed for arguments, the next date of hearing in the matter is 21 September 2022.

2 The Company has entered into a contract with BHEL for supply of Boiler, Turbine, Generator (BTG) items for Nashik project. The material was supplied by BHEL from its unit in Tamil Nadu during the period 2010-2011. BHEL availed input tax credit against this sale which is rejected by the assessing officer of BHEL and consequently BHEL demanded the said tax amount of Rs. 1,100 lakhs from the Company. The Company rejected the claim by BHEL as the same was for input tax and not on the tax on invoice. Meanwhile during the year 2011-12 Company filed writ petition before the Hon'ble High Court of Madras during the year 2012 against the recovery of the VAT by BHEL. The matter was listed for hearing and the Hon'ble High Court has issued a notice and had ordered for status quo. The notice for the same has been accepted by the state counsel. The Hon'ble High Court had heard the matter and reserved the order. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will devolve on the company.

3 Arbitration proceedings have been initiated by Bharat Heavy Electricals Limited against the Company alleging non-payment of outstanding in respect to the materials supplied by Bharat Heavy Electricals Limited for construction of portions of Sinnar Thermal Power Limited's Thermal Power Plant at Nashik (Phase -I). Affidavit of admission/denial of the additional documents have been filed by both the Parties. Affidavits of witnesses have been filed by both the parties. Evidence has been recorded of all the Claimant's witnesses as well as Respondent's witness. Cross examination of witnesses has concluded. The next date of hearing is 02 August 2022 for recording evidence of claimant witnesses.

**B. Contingent liabilities of demand for the Income Tax Act, 1961 and other matters not provided for in respect of:**

1 The Company has provided commitment for bank guarantees of Rs.8,688.49 lakhs (31 March 2021: Rs. 8,688.49 lakhs), which are secured by pledge on its fixed deposits of Rs. 564.30 Lakhs (31 March 2021: Rs 562.77 Lakhs) as margin for issuance of commitment bank guarantees and further out of above the Holding Company has provided lien on behalf of the Company on its fixed deposits of Rs. 341.47 lakhs (31 March 2021: Rs. 341.47 lakhs) as margin for issuance of commitment bank guarantee of Rs. 5,590.68 lakhs (31 March 2021: Rs. 5,590.68 lakhs)

2 In respect of the Appeal(s) filed before ITAT for AY 2011-12 to AY 2017-18, the said appeal(s) for disallowance/addition was decided by the ITAT in favour of the Company. However, the said order are subject to further appeal before the High Court.

3 For AY 2018-19, Company had filed an appeal before CIT(Appeals) against assessment order under section 143(3) of the IT Act, 1961 for total addition/disallowance of Rs. 903 Lakhs, which is currently pending for disposal.

**C. Other pending litigations as on 31 March 2022 are:**

1 Subsequent to the earlier bidding by Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 2000 MW (+30% / -20%) wherein EMCO Energy Limited was L1, RattanIndia Power Limited was L2, Adani Power Maharashtra Limited (APML) was L3, the Company was L4 and Wardha Power Company Limited (WPCL) was L5. MSEDCL required 1090 MW additional power and Government of Maharashtra vide letter dated 1 December 2011 gave approval to MSEDCL for procurement of such additional power and directed MSEDCL to obtain Maharashtra Electricity Regulatory Commission (MERC) approval for the same. MERC vide its order dated 27 December 2012 approved the levelised tariff of Rs. 3.42 per kwh for procurement of additional 1090 MW power by MSEDCL from the company and APML. WPCL filed an appeal before APTEL on 7 March 2013 against the aforesaid order of MERC on the ground that WPCL was not given an opportunity to participate in the process. APTEL vide its order dated 10 February 2015 partly allowed the appeal by WPCL and directed MSEDCL to approach WPCL and Company to seek new offer with respect to quantum to be offered while matching the tariff of APML, the Company filed a review petition against the order of APTEL dated 10 February 2015 for allowing the appeal by WPCL against the order of MERC which approved the procurement of additional quantum of 650 MW power from the Company. The review petition was dismissed by APTEL vide order dated 18 May 2015. The Company filed appeal before the Hon'ble Supreme Court against the orders dated 10 February 2015 as well as 18 May 2015. The Hon'ble Supreme Court of India vide order dated 10 May 2018, dismissed the Company's appeals. Pursuant to this order, APTEL's order dated 10 February 2015 comes into force and hence, the Company and WPCL will be making offers for power supply to MSEDCL in terms of the said order of APTEL.



## Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)

### Significant accounting policies and notes to the financial statements for the year ended 31 March 2022

(All amount in Rs. Lakhs, unless otherwise stated)

- Further, MERC order dated 19 January 2019 in Case No. 53 of 2012 whereby the Ld. MERC has allocated the quantum of 1090 MW of power on pro rata basis between Adani Power Maharashtra Limited, the Company and Sai Wardha Power Company Limited. On 30 April 2019, MSEDCL had issued letter of intent ('LOI') to the Company for execution of PPA of 507 MW (net capacity). In order to execute the PPA, Company was required to furnish Contract Performance Guarantee (CPG) to MSEDCL in 3 months. Lenders of the Company showed interest in starting the operations and in granting sanctions for required fund based working capital and non-fund based facilities so as to execute aforementioned PPA with MSEDCL. However, due to COVID 19, Lenders of the Company could not reach to any conclusion on sanctioning of required fund based working capital and non-fund based facilities and, thus the Company was not able to furnish the requested CPG resulting in MSEDCL terminating the aforesaid LOI. Thereafter the Company has filed a petition before Maharashtra Electricity Regulatory Commission (MERC) seeking directions to MSEDCL to withdraw its termination notice; and secondly to execute the PPA with the Company as per the agreed terms and conditions, pursuant to the long term Competitive Bidding. However, the petition was withdrawn pursuant to the observation of MERC that the Company may re-approach MERC after securing firm and unconditional commitment from Lenders for providing working capital/ bank guarantees required for executing the PPA.
- 2 The Company has developed railway line for transportation of coal to its Nashik Power Plant. For the development of railway line, Maharashtra Industrial Development Corporation ('MIDC') has acquired land for the Company in various villages of Nashik District. During the year 2012-13, Mr. Rattan Ranja Matala and Others ("petitioners") filed a Petition before the Hon'ble Bombay High Court against MIDC in which the Company is also a party. Hon'ble Bombay High Court vide its order dated 17 February 2015 dismissed the Writ Petition filed by the petitioners whose land was acquired for Railway Line development. Against the said order of High Court, the petitioners have filed a SLP in Hon'ble Supreme Court on 22 February 2016. The matter is currently listed for final disposal. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will devolve on the company.
  - 3 Arbitration proceedings have been initiated by Shapoorji Pallonji & Co. Pvt. Ltd. against the Company alleging the non-payment of outstanding dues in respect of BTG and OBTG work done for construction of portions of Thermal Power Plant at Nashik. Statement of claim and statement of defences and counter claim have been filed by the parties. Recording of claimant's and respondent's evidence has concluded. Cross examination of all witnesses stands completed. The final arguments have been concluded. Award has been reserved on 15 December 2021. The pecuniary risk in the matter is Rs 28,564 Lakhs.
  - 4 A petition under section 9 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal has been filed by M/s Shapoorji Pallonji & Co. Pvt. Ltd. (being the operational creditor) to initiate a corporate insolvency resolution process against the Company (being Corporate Debtor) in view of the pending payments. Written submissions have been filed by both the parties. The matter is listed for arguments. The next date in the matter is 23 May 2022.
  - 5 Arbitration proceedings have been initiated by Paharpur Cooling Towers Pvt. Ltd. against the Company alleging non-payment of outstanding dues for construction of portions of Thermal Power Plant at Nashik. The Matter will be taken up for arguments on Section 17 application filed by Paharpur and for framing of issues. Pleadings and final arguments are completed in the matter. Arbitral award was passed on 12 November 2021. Section 34 petition has been filed by the Company against Arbitral award for setting aside the award, before the Delhi High Court on 25 February 2022. The matter is yet to be listed.
  - 6 Arbitration proceedings have been initiated by Larsen & Toubro Ltd. (L&T) against the Company and RattanIndia Power Limited (RPL) in respect of supply and service contracts with respect to the Coal Handling Plant of 2x1600 TPH Capacity for the 5x270 MW TPP, Nashik. Preliminary hearing was held on 17 June 2020 whereby schedule of arbitration proceedings has been fixed by the Arbitral Tribunal. Statement of claim and statement of defence has been filed by the parties. The next date of hearing is to be intimated by the Arbitral Tribunal. The pecuniary risk in the matter is yet to be quantified.
  - 7 Company has filed Writ Petition before Hon'ble High Court challenging the order passed by IGR, Pune thereby directed the company to pay the stamp duty on the Lease Deed bearing No. 6860 of 2010 and 3845 of 2010. This Order is in contravention of Government order dated 23 March 2007 and 08 June 2007 passed by Revenue and Forest Department, Government of Maharashtra. The respondent has filed reply to the case. The matter will come up for hearing. The next date in the matter will be intimated.
  - 8 A petition hearing no. 43/2017 has been filed by Modern V.R. Security Force (I) Private Limited before Micro & Small Enterprises Facilitation Council, Nasik against the Company for recovery of amount which is allegedly due from the Company. The matter has been reserved for orders.
  - 9 Patkar Electro Infra Private Limited filed petition no. 328/ 2019 before Micro & Small Enterprises Facilitation Council, Nasik for payment of alleged outstanding claim of Rs. 35 lakhs from the Company. Matter at the stage of conciliation. The next date of hearing in the matter is to be intimated.
  - 10 An application under section 19 of the Recovery of Debts and Bankruptcy Act, 1993 had been filed by Canara Bank against the Company & Others. before the Debt Recovery Tribunal, New Delhi. Reply to the application has been filed by the Company. Pleadings are yet to be completed. The next date of hearing is 2 July 2022 for filing of Rejoinder by Canara Bank.
  - 11 Gammon Engineers and Contractors Pvt. Ltd. (GECPL) invoked arbitration against the Company in relation to contract for construction of Chimney at Nashik TPP. Section 11 petition filed by GECPL for appointment of an Arbitrator was allowed by the Hon'ble High Court of Delhi and it appointed (Retd.) Justice A.K Chawla as the Sole Arbitrator to adjudicate the disputes between the parties. GECPL has filed its Statement of Claim and thereafter, Amended Statement of Claim. STPL has filed an application under section 16 of the Arbitration and Conciliation Act, 1996 with prayer that the Arbitral Tribunal doesn't have jurisdiction to entertain the present arbitration as there is no contract between GECPL and STPL. Thereafter, the Sole Arbitrator vide its order dated 4 March 2022 had held that section 16 application shall be heard after completion of pleadings and directed the Company to file its Statement of Defence. Company had filed its Statement of Defence. The next date of hearing in the matter is 23 May 2022. The pecuniary risk in the matter is yet to be quantified.



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**

(All amount in Rs. Lakhs, unless otherwise stated)

- 12 A suit for permanent injunction has been filed by the Company against Mahanadi Coalfields Limited & Others praying before the Hon'ble Court for:-
- restraining Mahanadi Coalfields Limited from invoking/demanding/claiming the amount of Bank Guarantee and
  - further restraining Punjab National Bank from paying the Bank Guarantee furnished by Sinnar Thermal Power Limited to Mahanadi Coalfields Limited and
  - to restrain Mahanadi Coalfields Limited from terminating the Fuel Supply Agreement dated 23 August 2013.
- The matter is listed for filing of Written Statement on behalf of Mahanadi Coalfields Limited & Others. The next date of hearing in the matter is 10 August 2022.
- 13 A suit for declaration and perpetual injunction has been filed by the Company against Western Coalfields Limited & Others praying before the Hon'ble Court for:-
- restraining Western Coalfields Limited from invoking/demanding/claiming the amount of Bank Guarantee and
  - further restraining Punjab National Bank from paying the Bank Guarantee furnished by Sinnar Thermal Power Limited to Western Coalfields Limited and
  - directing Punjab National Bank to extend the period of Bank Guarantee in pursuance to letter dated 26 March 2019 and also in pursuance to the letter dated 11 February 2019 by Western Coalfields Limited.
- The matter is listed for filing of Written Statement on behalf of Western Coalfields Limited & Others. The next date of hearing in the matter is 16 June 2022.
- The management believes that the likelihood of any liability devolving upon the company in respect of above matters is not probable and accordingly, no adjustment is currently required in these financial statements.
- 32 Estimated amount of contracts remaining to be executed on account of capital and other commitments towards the project, not provided for: Rs. 201.87 lakhs (31 March 2021: Rs. 641.51 lakhs) - advances made there against Rs. 0.44 lakhs (31 March 2021: Rs. 2.68 lakhs)

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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**

(All amount in Rs. Lakhs, unless otherwise stated)

33 As at 31 March 2022, there being no eligible employee under "RPL ESOP 2008", "RPL ESOS 2009" & "RPL ESOS 2011" (ESOP Schemes), all the vested options outstanding as at 31 March 2022 have lapsed.

**34 Employee benefits**

**Defined contribution:**

Contributions are made to the government provident fund and family pension fund which cover all regular employees eligible under applicable Acts. Both the eligible employees and the company make pre-determined contributions to the provident fund. The contributions are normally based upon a proportion of the employee's salary. The company has recognized in the statement of profit and loss an amount of Rs. 2.81 lakhs (31 March 2021: Rs. 3.54 lakhs) towards employer's contribution towards provident fund.

**Defined benefits:**

Provision for unfunded gratuity payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2022. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the statement of profit and loss, as applicable and as identified by the management of the company.

**Other benefits:**

Provision for unfunded compensated absences payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2022. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the statement of profit and loss, as applicable and as identified by the management of the company.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of gratuity and compensated absences and the amounts recognised in the financial statements for the year ended 31 March 2022:

| Particulars                                                                       | Gratuity      |                 | Compensated absences |                 |
|-----------------------------------------------------------------------------------|---------------|-----------------|----------------------|-----------------|
|                                                                                   | 31 March 2022 | 31 March 2021   | 31 March 2022        | 31 March 2021   |
| <b>Liability recognised in the balance sheet</b>                                  |               |                 |                      |                 |
| Present value of obligation as at the beginning of the year                       | 25.76         | 171.26          | 3.23                 | 114.30          |
| Current service cost                                                              | 1.52          | 4.71            | 0.22                 | 1.25            |
| Interest cost                                                                     | 1.59          | 8.08            | 0.23                 | 4.45            |
| Benefits paid                                                                     | (7.84)        | (16.17)         | (1.86)               | (2.34)          |
| Actuarial (gains)/ losses                                                         | (7.69)        | (142.12)        | 0.64                 | (114.43)        |
| <b>Net liability in the balance sheet (as per actuarial valuation)</b>            | <b>13.34</b>  | <b>25.76</b>    | <b>2.46</b>          | <b>3.23</b>     |
| <b>Expenses during the year</b>                                                   |               |                 |                      |                 |
| Current service cost                                                              | 1.52          | 4.71            | 0.22                 | 1.25            |
| Interest cost                                                                     | 1.59          | 8.08            | 0.23                 | 4.45            |
| Actuarial (gains)/ losses                                                         | -             | -               | 0.64                 | (114.43)        |
| <b>Component of defined benefit cost charged to statement of profit and loss</b>  | <b>3.11</b>   | <b>12.79</b>    | <b>1.09</b>          | <b>(108.73)</b> |
| <b>Remeasurement of post-employment benefit obligations:</b>                      |               |                 |                      |                 |
| Actuarial losses/ (gains)                                                         | (7.69)        | (142.12)        | -                    | -               |
| <b>Component of defined benefit cost recognised in other comprehensive income</b> | <b>(7.69)</b> | <b>(142.12)</b> | <b>-</b>             | <b>-</b>        |

**Actuarial (gains)/ losses on obligation**

| Particulars                                                             | Gratuity      |               | Compensated absences |               |
|-------------------------------------------------------------------------|---------------|---------------|----------------------|---------------|
|                                                                         | 31 March 2022 | 31 March 2021 | 31 March 2022        | 31 March 2021 |
| Actuarial (gain)/ loss on arising from change in demographic assumption | -             | -             | -                    | -             |
| Actuarial (gain)/ loss on arising from change in financial assumption   | (0.66)        | 0.33          | (0.12)               | 0.08          |
| Actuarial (gain)/ loss on arising from change in experience adjustment  | (7.03)        | (142.45)      | 0.76                 | (114.50)      |

The actuarial valuation in respect of commitments and expenses relating to unfunded gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

**a) Economic assumptions**

| Particulars                      | 31 March 2022      | 31 March 2021      |
|----------------------------------|--------------------|--------------------|
| Discount rate                    | 7.18% <sup>o</sup> | 6.77% <sup>o</sup> |
| Expected rate of salary increase | 5.00% <sup>o</sup> | 5.00% <sup>o</sup> |

**b) Demographic assumptions**

| Particulars           | 31 March 2022                     | 31 March 2021                     |
|-----------------------|-----------------------------------|-----------------------------------|
| Retirement Age        | 60 Years                          | 60 Years                          |
| Mortality table       | IALM (2012 - 14)                  | IALM (2012 - 14)                  |
| Ages                  | Withdrawal Rate (% <sup>o</sup> ) | Withdrawal Rate (% <sup>o</sup> ) |
| - Upto 30 Years       | 3                                 | 3                                 |
| - From 31 to 44 Years | 2                                 | 2                                 |
| - Above 44 Years      | 1                                 | 1                                 |

The employer's best estimate of contributions expected to be paid during the annual period beginning after the balance sheet date, towards gratuity and compensated absences is Rs. 2.37 lakhs (31 March 2021: Rs. 3.64 lakhs) and Rs. 0.43 lakhs (31 March 2021: Rs. 0.58 lakhs) respectively.



**c) Sensitivity analysis of defined benefit obligation**

| Particulars                                                | 31 March 2022 | 31 March 2021 |
|------------------------------------------------------------|---------------|---------------|
| <b>a) Impact of the change in discount rate</b>            |               |               |
| i) Impact due to increase of 0.50% (31 March 2021: 0.50%)  | (0.91)        | (3.22)        |
| ii) Impact due to decrease of 0.50% (31 March 2021: 0.50%) | 0.99          | 3.60          |
| <b>b) Impact of the change in salary increase</b>          |               |               |
| i) Impact due to increase of 0.50% (31 March 2021: 0.50%)  | 1.01          | 3.58          |
| ii) Impact due to decrease of 0.50% (31 March 2021: 0.50%) | (0.93)        | (3.24)        |

Sensitivities due to mortality & withdrawals are not material & hence impact of change is not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

**d) Maturity profile of defined benefit obligation**

| Particulars       | 31 March 2022 | 31 March 2021 |
|-------------------|---------------|---------------|
| Less than 1 year  | 0.38          | 7.24          |
| Year 1 to 5       | 1.12          | 1.94          |
| More than 5 years | 14.31         | 19.80         |



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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**  
(All amount in Rs. Lakhs, unless otherwise stated)

**35 Disclosures in respect of related parties :**

As per Ind AS-24 "Related Party Disclosure", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below:

**Related parties where control exists:**

- |                                                                                                                                                                     |                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>I. Holding Company</b>                                                                                                                                           | RattanIndia Power Limited                                                                                                                                                                                                                         |
| <b>II. Entities having substantial interest in Holding Company</b>                                                                                                  | RattanIndia Enterprises Limited<br>(formerly known as RattanIndia Infrastructure Limited) (upto 29 March 2022)<br>RR Infralands Private Limited                                                                                                   |
| <b>III. Subsidiary companies</b>                                                                                                                                    | Sinnar Power Transmission Company Limited                                                                                                                                                                                                         |
| <b>IV. Enterprise over which key management personnel have significant influence</b><br>(with whom transaction have been entered during the year/<br>previous year) | HIC Limited (upto 27 September 2020)<br>Priapus Developers Private Limited<br>Tupelo Builders Private Limited<br>Thaumas Infrastructure Limited (upto 27 September 2020)<br>Nettle Constructions Private Limited<br>RR Infralands Private Limited |

**V. Key Management Personnel**

| Name                    | Designation                                                               |
|-------------------------|---------------------------------------------------------------------------|
| Rajiv Rattan            | Chairman and Director of the Holding Company                              |
| Vibhav Agarwal          | Managing Director of the Holding Company (w.e.f. 09 November 2020)        |
| Himanshu Mathur         | Whole Time Director of the Holding Company (upto 03 November 2021)        |
| Asim Kumar De           | Whole Time Director of the Holding Company (w.e.f. 03 November 2021)      |
| Ankur Mitra             | CFO of the Holding Company (w.e.f. 29 January 2021)                       |
| Chandan Mishra          | CFO of the Holding Company (w.e.f. 28 December 2020 upto 28 January 2021) |
| Aman Kumar Singh        | CEO of the Holding Company (w.e.f. 20 May 2019 upto 09 November 2020)     |
| Sameer Hasmukhlal Darji | CFO of the Holding Company (w.e.f. 15 April 2019 upto 30 June 2020)       |
| Lalit Narayan Mathpati  | Company Secretary of the Holding Company                                  |
| Rahul Mutreja           | Company Secretary of the Company                                          |
| Sandeep Mittal          | CFO of the Company                                                        |
| Gautam Wazir            | Manager of the Company                                                    |



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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**  
 (All amount in Rs. Lakhs, unless otherwise stated)

**VI. Summary of outstanding balances:**

| Nature of transactions                 | As at         | Holding Company     | Subsidiary companies | Enterprises over which key management personnel have significant influence | Total               |
|----------------------------------------|---------------|---------------------|----------------------|----------------------------------------------------------------------------|---------------------|
| Loans/ Inter corporate deposits taken  | 31 March 2022 | 6,939.02            | -                    | 1,384.46                                                                   | 8,323.48            |
|                                        | 31 March 2021 | 6,939.02            | -                    | 648.00                                                                     | 7,587.02            |
| Loans/ Inter corporate deposits given* | 31 March 2022 | -                   | -                    | -                                                                          | -                   |
|                                        | 31 March 2021 | -                   | 411.00               | -                                                                          | 411.00              |
| Payable for purchase of goods          | 31 March 2022 | 515.03              | -                    | -                                                                          | 515.03              |
|                                        | 31 March 2021 | 515.03              | -                    | -                                                                          | 515.03              |
| Other payables                         | 31 March 2022 | -                   | 0.02                 | -                                                                          | 0.02                |
|                                        | 31 March 2021 | -                   | -                    | -                                                                          | -                   |
| Bank guarantees                        | 31 March 2022 | Refer note 31(B)(1) | -                    | -                                                                          | Refer note 31(B)(1) |
|                                        | 31 March 2021 | -                   | -                    | -                                                                          | -                   |
| Pledge of shares                       | 31 March 2022 | Refer note 18       | -                    | -                                                                          | Refer note 18       |
|                                        | 31 March 2021 | -                   | -                    | -                                                                          | -                   |

\* Inter corporate deposit have been impaired during the year.

**VII. Summary of transactions with related parties:**

| Nature of transactions                 | Year ended    | Holding Company     | Subsidiary companies | Enterprises over which key management personnel have significant influence | Total               |
|----------------------------------------|---------------|---------------------|----------------------|----------------------------------------------------------------------------|---------------------|
| <b>Finance</b>                         |               |                     |                      |                                                                            |                     |
| Loans/ Inter corporate deposit taken*  | 31 March 2022 | -                   | -                    | 736.46                                                                     | 736.46              |
|                                        | 31 March 2021 | 105.00              | -                    | 722.00                                                                     | 827.00              |
| Loans/ Inter corporate deposit repaid* | 31 March 2022 | -                   | -                    | -                                                                          | -                   |
|                                        | 31 March 2021 | -                   | -                    | 658.00                                                                     | 658.00              |
| Other payables                         | 31 March 2022 | -                   | 0.02                 | -                                                                          | 0.02                |
|                                        | 31 March 2021 | -                   | -                    | -                                                                          | -                   |
| Sale of investment                     | 31 March 2022 | -                   | -                    | -                                                                          | -                   |
|                                        | 31 March 2021 | -                   | -                    | -                                                                          | -                   |
| <b>Assets/ liabilities</b>             |               |                     |                      |                                                                            |                     |
| Bank guarantees                        | 31 March 2022 | Refer note 31(B)(1) | -                    | -                                                                          | Refer note 31(B)(1) |
|                                        | 31 March 2021 | -                   | -                    | -                                                                          | -                   |
| Pledge of shares                       | 31 March 2022 | Refer note 18       | -                    | -                                                                          | Refer note 18       |
|                                        | 31 March 2021 | -                   | -                    | -                                                                          | -                   |

\* includes adjustment among inter heads.



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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2022  
 (All amount in Rs. Lakhs, unless otherwise stated)

VIII. Statement of material transactions for the year ended 31 March 2022

| Name                                                                              | Year ended    | Loans/ Inter corporate deposit taken* | Loans/ Inter corporate deposit repaid* | Sale of investment | Other payables |
|-----------------------------------------------------------------------------------|---------------|---------------------------------------|----------------------------------------|--------------------|----------------|
| <b>Holding Company</b>                                                            |               |                                       |                                        |                    |                |
| RattanIndia Power Limited                                                         | 31 March 2022 | -                                     | -                                      | -                  | -              |
|                                                                                   | 31 March 2021 | 105.00                                | -                                      | -                  | -              |
| <b>Subsidiary companies</b>                                                       |               |                                       |                                        |                    |                |
| Sinnar Power Transmission Company Limited                                         | 31 March 2022 | -                                     | -                                      | -                  | 0.02           |
|                                                                                   | 31 March 2021 | -                                     | -                                      | -                  | -              |
| <b>Enterprises over which key management personnel have significant influence</b> |               |                                       |                                        |                    |                |
| RR Infralands Private Limited                                                     | 31 March 2022 | 736.46                                | -                                      | -                  | -              |
|                                                                                   | 31 March 2021 | 720.00                                | 72.00                                  | -                  | -              |
| Nettle Constructions Private Limited (refer note 11 & 48)                         | 31 March 2022 | -                                     | -                                      | -                  | -              |
|                                                                                   | 31 March 2021 | -                                     | -                                      | -                  | -              |
| Priapus Developers Private Limited                                                | 31 March 2022 | -                                     | -                                      | -                  | -              |
|                                                                                   | 31 March 2021 | -                                     | 19.50                                  | -                  | -              |
| Tupelo Builders Private Limited                                                   | 31 March 2022 | -                                     | -                                      | -                  | -              |
|                                                                                   | 31 March 2021 | 2.00                                  | 566.50                                 | -                  | -              |

IX. Statement of outstanding balances

| Name                                                                              | As at         | Loans/ Inter corporate deposit taken | Loans/ Inter corporate deposit given | Payable for purchase of goods | Payable/ (recoverable) on purchase of fixed assets and other general expenses |
|-----------------------------------------------------------------------------------|---------------|--------------------------------------|--------------------------------------|-------------------------------|-------------------------------------------------------------------------------|
| <b>Holding Company</b>                                                            |               |                                      |                                      |                               |                                                                               |
| RattanIndia Power Limited                                                         | 31 March 2022 | 6,939.02                             | -                                    | 515.03                        | -                                                                             |
|                                                                                   | 31 March 2021 | 6,939.02                             | -                                    | 515.03                        | -                                                                             |
| <b>Subsidiary companies</b>                                                       |               |                                      |                                      |                               |                                                                               |
| Sinnar Power Transmission Company Limited**                                       | 31 March 2022 | -                                    | -                                    | -                             | 0.02                                                                          |
|                                                                                   | 31 March 2021 | -                                    | 411.00                               | -                             | -                                                                             |
| <b>Enterprises over which key management personnel have significant influence</b> |               |                                      |                                      |                               |                                                                               |
| RR Infralands Private Limited                                                     | 31 March 2022 | 1,384.46                             | -                                    | -                             | -                                                                             |
|                                                                                   | 31 March 2021 | 648.00                               | -                                    | -                             | -                                                                             |

\* Includes adjustment among inter heads.

\*\* Inter corporate deposit have been impaired during the year.



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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)

Significant accounting policies and notes to the financial statements for the year ended 31 March 2022

(All amount in Rs. Lakhs, unless otherwise stated)

| 36. Deferred tax assets/(liabilities) (net)                        | 31 March 2022       | 31 March 2021       |
|--------------------------------------------------------------------|---------------------|---------------------|
| <b>Tax effect of items constituting deferred tax liabilities</b>   |                     |                     |
| Property, plant and equipment                                      | (170,980.81)        | (164,293.97)        |
| Employee benefit obligations                                       | (6.65)              | (8.44)              |
| Others                                                             | -                   | (0.02)              |
|                                                                    | <b>(170,987.46)</b> | <b>(164,302.43)</b> |
| <b>Tax effect of items constituting deferred tax assets</b>        |                     |                     |
| Security Deposit                                                   | 0.11                | 0.12                |
| Borrowings                                                         | -                   | 490.64              |
| Unabsorbed depreciation and brought business losses <sup>(i)</sup> | 170,987.35          | 163,811.67          |
|                                                                    | <b>170,987.46</b>   | <b>164,302.43</b>   |
|                                                                    | <b>-</b>            | <b>-</b>            |

(i) The company has restricted the recognition of deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of the corresponding deferred tax liability. The unabsorbed business losses of Rs. 619,559.97 lakhs (31 March 2021: Rs. 720,694.94 lakhs) are available for offset for maximum period of eight years from the incurrence of loss.

| Assessment year                                                   | Unused business losses | Unabsorbed depreciation | Total unused tax losses |
|-------------------------------------------------------------------|------------------------|-------------------------|-------------------------|
| 2013-14                                                           | -                      | 82.25                   | 82.25                   |
| 2014-15                                                           | -                      | 44,517.23               | 44,517.23               |
| 2015-16                                                           | 52,610.47              | 32,894.44               | 85,504.91               |
| 2016-17                                                           | 38,249.71              | 15,265.77               | 53,515.47               |
| 2017-18                                                           | 103,136.62             | 79,161.21               | 182,297.83              |
| 2018-19                                                           | 321,760.98             | 306,219.96              | 627,980.93              |
| 2019-20                                                           | 96,197.24              | 88,996.43               | 185,193.68              |
| 2020-21                                                           | 5,072.21               | 58,605.32               | 63,677.53               |
| 2021-22                                                           | 1,786.77               | 39,611.19               | 41,397.96               |
| 2022-23                                                           | 745.97                 | -                       | 745.97                  |
| <b>Total losses available for setoff in future years</b>          | <b>619,559.97</b>      | <b>665,353.79</b>       | <b>1,284,913.76</b>     |
| Tax rate                                                          |                        |                         | 29.12%                  |
| Total deferred tax assets on total unused tax losses              |                        |                         | 374,166.89              |
| Less: deferred tax assets recognised in the financials statements |                        |                         | (170,987.35)            |
| <b>Net deferred tax assets not recognised as on 31 March 2022</b> |                        |                         | <b>203,179.54</b>       |

| Assessment year                                                   | Unused business losses | Unabsorbed depreciation | Total unused tax losses |
|-------------------------------------------------------------------|------------------------|-------------------------|-------------------------|
| 2013-14                                                           | -                      | 82.25                   | 82.25                   |
| 2014-15                                                           | 101,880.95             | 44,517.23               | 146,398.18              |
| 2015-16                                                           | 52,610.47              | 32,894.44               | 85,504.91               |
| 2016-17                                                           | 38,249.71              | 15,265.77               | 53,515.47               |
| 2017-18                                                           | 103,136.62             | 79,161.21               | 182,297.83              |
| 2018-19                                                           | 321,760.98             | 306,219.96              | 627,980.93              |
| 2019-20                                                           | 96,197.24              | 88,996.43               | 185,193.68              |
| 2020-21                                                           | 5,072.21               | 58,605.32               | 63,677.53               |
| 2021-22                                                           | 1,786.77               | 39,611.19               | 41,397.96               |
| <b>Total losses available for setoff in future years</b>          | <b>720,694.94</b>      | <b>665,353.79</b>       | <b>1,386,048.73</b>     |
| Tax rate                                                          |                        |                         | 29.12%                  |
| Total deferred tax assets on total unused tax losses              |                        |                         | 403,617.39              |
| Less: deferred tax assets recognised in the financials statements |                        |                         | (163,811.67)            |
| <b>Net deferred tax assets not recognised as on 31 March 2021</b> |                        |                         | <b>239,805.72</b>       |



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
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 (All amount in Rs. Lakhs, unless otherwise stated)

**Movement in deferred tax assets/ (liabilities)**

| Particulars                                                      | As at<br>01 April 2021 | Recognized in<br>profit or loss | Recognized in other<br>comprehensive<br>income | As at<br>31 March 2022 |
|------------------------------------------------------------------|------------------------|---------------------------------|------------------------------------------------|------------------------|
| <b>Tax effect of items constituting deferred tax liabilities</b> |                        |                                 |                                                |                        |
| Property, plant and equipment                                    | (164,293.97)           | (6,686.84)                      | -                                              | (170,980.81)           |
| Employee benefit obligations                                     | (8.44)                 | 1.79                            | -                                              | (6.65)                 |
| Others                                                           | (0.02)                 | 0.02                            | -                                              | -                      |
|                                                                  | <b>(164,302.43)</b>    | <b>(6,685.03)</b>               | -                                              | <b>(170,987.46)</b>    |
| <b>Tax effect of items constituting deferred tax assets</b>      |                        |                                 |                                                |                        |
| Security deposits                                                | 0.12                   | (0.01)                          | -                                              | 0.11                   |
| Borrowings                                                       | 490.64                 | (490.64)                        | -                                              | -                      |
| Unabsorbed depreciation and brought business losses              | 163,811.67             | 7,175.68                        | -                                              | 170,987.35             |
|                                                                  | <b>164,302.43</b>      | <b>6,685.03</b>                 | -                                              | <b>170,987.46</b>      |
| <b>Deferred tax assets/ (liabilities) (net)</b>                  | -                      | -                               | -                                              | -                      |

| Particulars                                                      | As at<br>01 April 2020 | Recognized in<br>profit or loss | Recognized in other<br>comprehensive<br>income | As at<br>31 March 2021 |
|------------------------------------------------------------------|------------------------|---------------------------------|------------------------------------------------|------------------------|
| <b>Tax effect of items constituting deferred tax liabilities</b> |                        |                                 |                                                |                        |
| Property, plant and equipment                                    | (161,316.10)           | (2,977.87)                      | -                                              | (164,293.97)           |
| Employee benefit obligations                                     | (83.15)                | 74.71                           | -                                              | (8.44)                 |
| Others                                                           | (0.06)                 | 0.04                            | -                                              | (0.02)                 |
|                                                                  | <b>(161,399.31)</b>    | <b>(2,903.12)</b>               | -                                              | <b>(164,302.43)</b>    |
| <b>Tax effect of items constituting deferred tax assets</b>      |                        |                                 |                                                |                        |
| Security deposits                                                | 0.11                   | 0.01                            | -                                              | 0.12                   |
| Borrowings                                                       | 665.62                 | (174.98)                        | -                                              | 490.64                 |
| Unabsorbed depreciation and brought business losses              | 160,733.58             | 3,078.09                        | -                                              | 163,811.67             |
|                                                                  | <b>161,399.31</b>      | <b>2,903.12</b>                 | -                                              | <b>164,302.43</b>      |
| <b>Deferred tax assets/ (liabilities) (net)</b>                  | -                      | -                               | -                                              | -                      |



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37 Financial instruments

(i) Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

| Particulars                   | Level   | 31 March 2022 | 31 March 2021 |
|-------------------------------|---------|---------------|---------------|
| <b>Financial assets</b>       |         |               |               |
| <b>Investments at FVTPL</b>   |         |               |               |
| Investments in mutual funds   | Level 1 | -             | -             |
| <b>Total financial assets</b> |         | -             | -             |

(iii) Fair value of financial assets and liabilities are measured at amortised cost

The carrying amount of financial assets and financial liabilities are measured at amortised cost in the financial statements are a reasonable approximation of their fair values (Refer note 38(i)).

(iv) Valuation process and technique used to determine fair value

Specific valuation techniques i.e. Net asset value (NAV) as obtained from the asset manager are used to value financial instruments like mutual funds.

38 Financial risk management

(i) Financial instruments by category

| Particulars                        | 31 March 2022 |       |                     | 31 March 2021 |       |                     |
|------------------------------------|---------------|-------|---------------------|---------------|-------|---------------------|
|                                    | FVTPL         | FVOCI | Amortised cost      | FVTPL         | FVOCI | Amortised cost      |
| <b>Financial assets</b>            |               |       |                     |               |       |                     |
| Investments in:                    |               |       |                     |               |       |                     |
| Mutual Funds                       | -             | -     | -                   | -             | -     | -                   |
| Equity instruments of subsidiaries | -             | -     | -                   | -             | -     | 5,058.61            |
| Loans:                             |               |       |                     |               |       |                     |
| Security deposits                  | -             | -     | 451.22              | -             | -     | 479.21              |
| Loans                              | -             | -     | 0.33                | -             | -     | 0.31                |
| Inter corporate deposits           | -             | -     | 411.00              | -             | -     | 411.00              |
| Cash and cash equivalents          | -             | -     | 162.54              | -             | -     | 110.08              |
| Other bank balances                | -             | -     | 584.10              | -             | -     | 608.63              |
| Other financial asset              | -             | -     | 23.50               | -             | -     | 23.52               |
| <b>Total</b>                       | -             | -     | <b>1,632.69</b>     | -             | -     | <b>6,691.36</b>     |
| <b>Financial liabilities</b>       |               |       |                     |               |       |                     |
| Borrowings                         | -             | -     | 720,172.27          | -             | -     | 717,750.92          |
| Trade payable                      | -             | -     | 515.03              | -             | -     | 515.03              |
| Other financial liabilities        | -             | -     | 724,318.90          | -             | -     | 553,571.42          |
| <b>Total</b>                       | -             | -     | <b>1,445,006.20</b> | -             | -     | <b>1,271,837.37</b> |

Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

(ii) Risk management

The Company is exposed to various risks in relation to financial instruments. the Company's financial assets and liabilities by category are summarised in refer note 37(ii). The main types of risks are market risk, credit risk and liquidity risk. The most significant financial risks to which the Company is exposed are described below:

The Company's risk management is carried out by a central finance department of the Company under direction of the Board of Directors. The Board of Directors provides principles for overall risk management, and covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.



**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

| Particulars                    | 31 March 2022 | 31 March 2021 |
|--------------------------------|---------------|---------------|
| Loans (i)                      | 862.55        | 890.52        |
| Cash and cash equivalents (ii) | 162.54        | 110.08        |
| Other bank balances (ii)       | 584.10        | 608.63        |
| Other financial assets (i)     | 23.50         | 23.52         |

The Company continuously monitors defaults of customers and other counterparties, and incorporates this information into its credit risk controls. the Company's policy is to deal only with creditworthy counterparties.

The company's management considers that all of the above financial assets are not impaired and/ or past due for each of the above assets reporting dates under review are of good credit quality.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(i) The Company's management considers financial assets, which are 30 days past due, and analyse facts and circumstances surrounding each such defaults separately. If the facts indicate a probability of loss of value, the assets then expected cash flows are plotted in an present value based impairment model to determine the amount of impairment loss. Amounts are written off only in the following circumstances:

- no probable legal recourse is available for recovery,
- the counterparty is bankrupt,
- the cost of recovery is more than the amount or
- after all possible efforts the Company is unable to recover amounts after a period of 3 years.

(ii) The credit risk for cash and cash equivalents and other bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| 31 March 2022               | Less than 1 year    | 1-5 years         | More than 5 years | Total               |
|-----------------------------|---------------------|-------------------|-------------------|---------------------|
| <b>Non-derivatives</b>      |                     |                   |                   |                     |
| Borrowings                  | 1,050,975.21        | 396,587.13        | 233,208.69        | 1,680,771.03        |
| Trade payables              | 515.03              | -                 | -                 | 515.03              |
| Lease liability             | -                   | -                 | 106.99            | 106.99              |
| Other financial liabilities | 35,349.70           | 5,474.29          | -                 | 40,823.99           |
| <b>Total</b>                | <b>1,086,839.94</b> | <b>402,061.42</b> | <b>233,315.68</b> | <b>1,722,217.04</b> |

| 31 March 2021               | Less than 1 year  | 1-5 years         | More than 5 years | Total               |
|-----------------------------|-------------------|-------------------|-------------------|---------------------|
| <b>Non-derivatives</b>      |                   |                   |                   |                     |
| Borrowings                  | 831,563.91        | 429,057.40        | 316,355.71        | 1,576,977.02        |
| Trade payables              | 515.03            | -                 | -                 | 515.03              |
| Lease liability             | -                 | -                 | 107.00            | 107.00              |
| Other financial liabilities | 35,875.57         | 5,664.33          | -                 | 41,539.90           |
| <b>Total</b>                | <b>867,954.51</b> | <b>434,721.73</b> | <b>316,462.71</b> | <b>1,619,138.95</b> |



**C) Market risk**

**a) Interest rate risk**

**Liabilities/assets**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS-107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Interest rate risk exposure**

Below is the overall exposure of the Company to interest rate risk:

| Particulars                         | 31 March 2022     | 31 March 2021     |
|-------------------------------------|-------------------|-------------------|
| <b>Variable rate:</b>               |                   |                   |
| Borrowing                           | 711,848.79        | 710,163.90        |
| Loan assets                         | -                 | -                 |
| <b>Total variable rate exposure</b> | <b>711,848.79</b> | <b>710,163.90</b> |
| <b>Fixed rate:</b>                  |                   |                   |
| Borrowing                           | 8,323.48          | 7,587.02          |
| Loan assets and deposits            | 584.43            | 1,019.94          |
| <b>Total fixed rate exposure</b>    | <b>7,739.05</b>   | <b>6,567.08</b>   |

**Sensitivity**

Below is the sensitivity of profit or loss and equity due to changes in interest rates, assuming no change in other variables:

| Particulars                                                                     | 31 March 2022 | 31 March 2021 |
|---------------------------------------------------------------------------------|---------------|---------------|
| <b>Interest sensitivity</b>                                                     |               |               |
| Interest rates – increase by 100 basis points (31 March 2021: 100 basis points) | (7,118.49)    | (7,101.64)    |
| Interest rates – decrease by 100 basis points (31 March 2021: 100 basis points) | 7,118.49      | 7,101.64      |

**39 Capital management**

The Company's capital management objectives are

- To ensure the Company's ability to continue as a going concern
- To provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amounts managed as capital by the Company for the reporting periods under review are summarised as follows :-

| Particulars                                | 31 March 2022       | 31 March 2021       |
|--------------------------------------------|---------------------|---------------------|
| Long-term borrowings                       | 400,053.40          | 462,111.97          |
| Current maturities of long-term borrowings | 311,795.39          | 248,051.93          |
| Short-term borrowings                      | 8,323.48            | 7,587.02            |
| Interest accrued on borrowings             | 683,387.92          | 511,924.52          |
| <b>Total borrowings</b>                    | <b>1,403,560.19</b> | <b>1,229,675.44</b> |
| Less:                                      |                     |                     |
| Cash and cash equivalents                  | 162.54              | 110.08              |
| Other bank balances                        | 584.10              | 608.63              |
| <b>Net debts</b>                           | <b>1,402,813.55</b> | <b>1,228,956.73</b> |
| <b>Total equity<sup>(i)</sup></b>          | <b>(656,934.26)</b> | <b>(415,015.57)</b> |
| <b>Net debt to equity ratio</b>            | <b>-213.54%</b>     | <b>-296.12%</b>     |

(i) Equity includes capital and all reserves of the Company that are managed as capital.



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40 Details of assets pledged

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars                   | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------|------------------------|------------------------|
| <b>Current</b>                |                        |                        |
| Inventories                   | 941.18                 | 954.69                 |
| <b>Non-current</b>            |                        |                        |
| Property, plant and equipment | 674,884.69             | 693,572.09             |
| Right of use                  | 8,077.42               | 8,179.61               |
| Capital work-in-progress      | 100,913.39             | 145,128.90             |
| Intangible assets             | -                      | 0.17                   |

41 Effective tax reconciliation

| Particulars                                                       | For the year ended 31<br>March 2022 | For the year ended<br>31 March 2021 |
|-------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Loss before tax                                                   | (241,926.38)                        | (176,315.75)                        |
| Domestic tax rate                                                 | 29.12%                              | 29.12%                              |
| <b>Expected tax expense [A]</b>                                   | <b>(70,448.96)</b>                  | <b>(51,343.15)</b>                  |
| Adjustment for non-deductible expenses                            | 70,231.73                           | 39,552.78                           |
| Adjustment for exempt income                                      | -                                   | -                                   |
| Deferred tax assets not recognised                                | 217.23                              | 11,790.37                           |
| Tax credit (minimum alternative tax)                              | -                                   | -                                   |
| <b>Total adjustments [B]</b>                                      | <b>70,448.96</b>                    | <b>51,343.15</b>                    |
| <b>Actual tax expense [C=A+B]</b>                                 | <b>-</b>                            | <b>-</b>                            |
| <b>Tax expense comprises:</b>                                     |                                     |                                     |
| Current tax expense                                               | -                                   | -                                   |
| Deferred tax credit                                               | -                                   | -                                   |
| <b>Tax expense recognized in statement of profit and loss [D]</b> | <b>-</b>                            | <b>-</b>                            |

42 Loss per equity share (EPS):

| Particulars                                                     | For the year ended 31<br>March 2022 | For the year ended<br>31 March 2021 |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Loss for the year (Rs.)                                         | (241,926.38)                        | (176,315.75)                        |
| Opening number of shares                                        | 31,977,246                          | 31,977,246                          |
| Weighted average number of shares used in computing basic EPS   | 31,977,246                          | 31,977,246                          |
| Closing number of shares                                        | 31,977,246                          | 31,977,246                          |
| Weighted average number of shares used in computing diluted EPS | 31,977,246                          | 31,977,246                          |
| Face value per equity share – (Rs.)                             | 10.00                               | 10.00                               |
| Basic earnings/ (loss) per equity share – (Rs.)                 | (756.56)                            | (551.38)                            |
| Diluted earnings/ (loss) per equity share – (Rs.)               | (756.56)                            | (551.38)                            |



43 Leases disclosure as lessee

a) The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

| Right of use assets | No of right-of use assets leased | Range of remaining term | Average remaining lease term | No of leases with extension options | No of leases with purchase options | No of leases with variable payments linked to an index | No of leases with termination options |
|---------------------|----------------------------------|-------------------------|------------------------------|-------------------------------------|------------------------------------|--------------------------------------------------------|---------------------------------------|
| Land                | 4                                | 942-961 Months          | 954.5 Months                 | 4                                   | -                                  | -                                                      | -                                     |

b) Additional information on the right-of-use assets by class of assets is as follows:

| Right-of use assets | Carrying amount as on 1 April 2021 | Additions | Depreciation  | Impairment | Carrying amount as on 31 March 2022 |
|---------------------|------------------------------------|-----------|---------------|------------|-------------------------------------|
| Land                | 8,179.61                           | -         | 102.19        | -          | 8,077.42                            |
| <b>Total</b>        | <b>8,179.61</b>                    | <b>-</b>  | <b>102.19</b> | <b>-</b>   | <b>8,077.42</b>                     |

c) Lease liabilities are presented in the statement of financial position as follows:

| Particulars  | 31 March 2022 | 31 March 2021 |
|--------------|---------------|---------------|
| Current      | -             | -             |
| Non-current  | 106.99        | 107.00        |
| <b>Total</b> | <b>106.99</b> | <b>107.00</b> |

d) The undiscounted maturity analysis of lease liabilities at 31 March 2022 is as follows:

| Particulars               | Less than 1 year | 1-5 year    | More than 5 years | Total         |
|---------------------------|------------------|-------------|-------------------|---------------|
| Lease payments            | 12.84            | 51.36       | 940.74            | 1,004.94      |
| Finance charges           | 12.84            | 51.35       | 833.76            | 897.95        |
| <b>Net present values</b> | <b>-</b>         | <b>0.01</b> | <b>106.98</b>     | <b>106.99</b> |

e) The Company had total cash outflows for leases of Rs. Nil in March 31, 2022 (Rs. Nil in March 31, 2021).

The following are the amounts recognised in profit or loss:

| Particulars                                                                           | 31 March 2022 | 31 March 2021 |
|---------------------------------------------------------------------------------------|---------------|---------------|
| Depreciation expense of right-of-use assets                                           | 102.19        | 102.24        |
| Interest expense on lease liabilities (included in finance cost - interest on others) | 12.84         | 38.52         |
| Expense relating to short-term leases (included in other expenses)                    | 16.18         | 92.44         |
| <b>Total</b>                                                                          | <b>131.21</b> | <b>233.20</b> |

**Operating leases**

The Company has taken on lease certain assets under operating lease arrangements. The contractual future minimum lease payment obligation in respect of these leases are as under:

| Particulars                                         | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-----------------------------------------------------|----------------------------------|----------------------------------|
| Minimum lease obligations:                          |                                  |                                  |
| - Within one year                                   | 12.84                            | 12.84                            |
| - Later than one year but not later than five years | 51.36                            | 51.36                            |
| - Later than five years                             | 940.74                           | 953.59                           |
| <b>Total</b>                                        | <b>1,004.94</b>                  | <b>1,017.79</b>                  |

At 31 March 2022, the Company had not committed to leases which had not commenced.

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.



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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**  
 (All amount in Rs. Lakhs, unless otherwise stated)

- 44 The Company is engaged in power generation and the setting up of power projects for generating, transmitting and supplying all forms of electrical energy and to undertake allied/ incidental activities in connection therewith. Considering the nature of the Company's business and operations, and the information reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance, the Company has one reportable business segment i.e. "Power Generation and Allied Activities" as per the requirements of Ind AS 108 – 'Operating Segments'.
- 45 There were no dues required to be credited to the investor education and protection fund as at 31 March 2022 and 31 March 2021.
- 46 The Company has incurred a net loss amounting to Rs. 241,918.69 lakhs during the year ended 31 March 2022 and, as of that date, accumulated losses aggregate to Rs. 959,560.21 lakhs which has resulted in complete erosion of the net worth of the Company and its current liabilities exceed its current assets by Rs. 1,035,788.35 lakhs. Further, the matter related to execution of PPA with MSSEDCL is in dispute wherein the Company had filed a petition before Maharashtra Electricity Regulatory Commission (MERC) for adjudication of the dispute, however, the petition was withdrawn pursuant to the observation of MERC that the Company may re-approach MERC after securing firm and unconditional commitment from lenders for providing working capital/ bank guarantees required for executing the PPA. The management, based upon discussions with lenders, including discussions around one-time settlement, is of the view that the PPA would be restored in favor of the Company. Post such discussions, no communication has happened with lenders and the matter remained as it is without any visibility in terms of execution of PPA and settlement of dues with lenders.
- There is an uncertainty in execution of PPA between the Company and MSSEDCL that may cast significant doubt on the Company's ability to continue as a going concern due to which STPL may not be able to realize its assets and discharge its liabilities in the normal course of business. However, in view of acute power shortage faced by the country, the Ministry of Power has identified certain power plants, including that of the plant of the Company, that are commissioned and preserved in a condition that they can be brought into operation within few months' notice. In this context, the Company has been directed to make plant operational and endeavor to start power generation from 2 out of its 5 units within 4 months timeframe. Initially, while the plant is expected to take benefit of sharp demand-supply gap in merchant market; it would continue to look for opportunities to tie-up for medium /long term PPA which are expected to emerge for bidding in due course. The Lead Lender and other consortium of lenders have indicated to support these operations by way of providing entire working capital requirement for these operations in line with the advisory from the Ministry. The Company is in active discussions with the lenders and other stake holders to ensure plant can be started in time and to ensure steps are taken for the long term resolution, accordingly, the management is of the view that the Company's status as going concern for the purpose of accounting is appropriate.
- 47 The Company had incurred Rs 43,773.00 Lakhs for development of 1350 MW power plant (Phase II) in earlier years. The construction activities of Phase II are currently suspended. In view of continuing uncertainty regarding execution of PPA for Phase I (as discussed in note 46 above), the management during the current year has accounted for impairment loss against capital work in progress relating to Phase II that has been recorded as exceptional item in statement of profit & loss.
- 48 The Company has non-current investment of Rs. Nil (31 March 2021 : Rs. 5,058.61 lakhs) and loans under current financial assets of Rs. Nil (31 March 2021: Rs. 411 lakhs), recoverable from Sinnar Power Transmission Company Limited ('SPTCL'), a wholly-owned subsidiary of the Company. SPTCL had constructed a dedicated double circuit 400 KV quad moose conductor line of 56.75 km along with associated bay equipment at Babhaleshwar (Nashik). MSETCL sub-station for evacuation of power generated by 1350 MW thermal power plant of the Company. The line is established by SPTCL as per transmission license no. 2 of 2010 dated 28.12.2010, granted by Hon'ble Maharashtra Electricity Regulatory Commission (MERC). SPTCL has yet to commence business operations and has accumulated losses of Rs. 7,943.71 Lakhs and its current liabilities exceeds current assets by Rs. 11,784.32 Lakhs as on 31 March 2022. Further, SPTCL has also defaulted in repayment of borrowings from Lender, including interest, aggregating to Rs. 5,403.37 Lakhs till 31 March 2022. The Company has entered into an agreement with Nettle Construction Private Limited (a related party) to sell investment in SPTCL. Accordingly based on above factors, management has decided to recognize impairment loss in relation to its investment in SPTCL amounting to Rs 5,058.61 Lakhs and has also written off loans of Rs 411 Lakhs during the year.

**49 Reconciliation of liabilities arising from financing activities**

|                                                 | Long-term borrowings | Short-term borrowings | Total             |
|-------------------------------------------------|----------------------|-----------------------|-------------------|
| <b>As at 1 April 2020</b>                       | <b>709,495.07</b>    | <b>7,418.02</b>       | <b>716,913.09</b> |
| <b>Cash flows:</b>                              |                      |                       |                   |
| Proceeds from borrowings                        | -                    | 827.00                | 827.00            |
| Repayment of borrowings                         | -                    | (658.00)              | (658.00)          |
| <b>Non-cash:</b>                                |                      |                       |                   |
| Impact of borrowings measured at amortised cost | 668.83               | -                     | 668.83            |
| <b>As at 31 March 2021</b>                      | <b>710,163.90</b>    | <b>7,587.02</b>       | <b>717,750.92</b> |
| <b>Cash flows:</b>                              |                      |                       |                   |
| Proceeds from borrowings                        | -                    | 736.46                | 736.46            |
| Repayment of borrowings                         | -                    | -                     | -                 |
| <b>Non-cash:</b>                                |                      |                       |                   |
| Impact of borrowings measured at amortised cost | 1,684.89             | -                     | 1,684.89          |
| <b>As at 31 March 2022</b>                      | <b>711,848.79</b>    | <b>8,323.48</b>       | <b>720,172.27</b> |

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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**  
(All amount in Rs. Lakhs, unless otherwise stated)

50 Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

| Particulars                                                                                                                                                                                                                                                                                                                    | As at<br>31 March 2022 | As at<br>31 March 2021 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year                                                                                                                                                                                                                                     | -                      | -                      |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year                                                                                                                                                                                                                                | -                      | -                      |
| (iii) The amount of interest paid by the buyer in terms of section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.                                                                                                    | -                      | -                      |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006.                                                       | -                      | -                      |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year.                                                                                                                                                                                                                                     | -                      | -                      |
| (vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of The Micro, Small and Medium Enterprises Development Act, 2006. | -                      | -                      |

The above information and that given in Note 22 - 'Trade Payables' regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

**51 Ratios**

Following are analytical ratios for the year ended 31 March 2022 and 31 March 2021

| Particulars                                      | Numerator                               | Denominator                      | 31 March 2022           | 31 March 2021           | Variances           |
|--------------------------------------------------|-----------------------------------------|----------------------------------|-------------------------|-------------------------|---------------------|
| Current ratio                                    | Current assets                          | Current liabilities              | 0.00                    | 0.00                    | N/A                 |
| Debt - equity ratio <sup>(i)</sup>               | Total debt                              | Shareholder's equity             | -1.10                   | -1.73                   | -37% <sub>o</sub>   |
| Debt service coverage ratio <sup>(ii)</sup>      | Earning available for debt service      | Debt service                     | -0.12                   | -0.01                   | 2073% <sub>o</sub>  |
| Return on equity (ROE)                           | Net profits after taxes                 | Average shareholder's equity     | 45.14% <sub>o</sub>     | 53.93% <sub>o</sub>     | -8.79% <sub>o</sub> |
| Trade receivables turnover ratio                 | Revenue                                 | Average trade receivables        | N/A                     | N/A                     | N/A                 |
| Trade payable turnover ratio <sup>(iii)</sup>    | Purchase of services and other expenses | Average trade payables           | 2.59                    | 4.08                    | -37% <sub>o</sub>   |
| Net capital turnover ratio                       | Revenue                                 | Working capital                  | 0.00                    | 0.00                    | N/A                 |
| Net Profit ratio <sup>(iv)</sup>                 | Net profit                              | Revenue                          | -34619.27% <sub>o</sub> | -40355.16% <sub>o</sub> | 5736% <sub>o</sub>  |
| Return on capital employed (ROCE) <sup>(v)</sup> | Earning before interest and tax         | Capital employed                 | 27.37% <sub>o</sub>     | -39.59% <sub>o</sub>    | 67% <sub>o</sub>    |
| <i>Return on investment (ROI)</i>                |                                         |                                  |                         |                         |                     |
| Unquoted                                         | Income generated from Investment        | Time weighted average investment | 0.00% <sub>o</sub>      | 0.00% <sub>o</sub>      | 0% <sub>o</sub>     |
| Quoted                                           | Income generated from Investment        | Time weighted average investment | N/A                     | 0.07% <sub>o</sub>      | 0% <sub>o</sub>     |

(i) Negative equity has increased by 58% as compared to the previous year

(ii) Negative earning before interest, tax and depreciation has increased by Rs. 47,865.80 lakhs as compared to the previous year

(iii) Other expenses has increased by 37% as compared to the previous year

(iv) Net loss increased by 37% and other income has increased by 60% as compared to the previous year.

(v) Negative EBIT has increased by 229% and Capital employed also negatively increased by 575% as compared to the previous year.



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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2022**

(All amount in Rs. Lakhs, unless otherwise stated)

**52 Other statutory information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off -
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the period/year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 53** The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette of India on 29 September 2020, which could impact the contributions of the Group towards certain employment benefits. Effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of change will be assessed and accounted for in the period of notification of relevant provisions.
- 54** Previous year figures have been regrouped/ rearranged, wherever considered necessary, to confirm to the classification/ disclosure adopted in the current year including the requirements of the amendments of Schedule III of the Act.

**Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/ N500013



**Deepak Mittal**

Partner

Membership No. : 503843

Place: New Delhi

Date: 12 May 2022

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

**Jeevagan Narayana Swami Nadar**

Director

DIN: 02393291

Place: New Delhi

Date: 12 May 2022

**Sandeep Mittal**

Chief Financial Officer

Place: New Delhi

Date: 12 May 2022

**Chandan Mishra**

Director

DIN: 08837049

Place: New Delhi

Date: 12 May 2022

**Rahul Mutreja**

Company Secretary

Place: New Delhi

Date: 12 May 2022