

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 accompanying financial statements of Sinnar Thermal Power Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, 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 notes to the financial statements, including 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 matter 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 45 to the financial statements, the Company is yet to commence operations and has incurred a net loss amounting to Rs. 220,837.07 lakhs during the year ended 31 March 2023 and, as of that date, accumulated losses aggregate to Rs. 1,180,387.72 lakhs which has resulted in complete erosion of the net worth of the Company and its current liabilities exceed its current assets by Rs. 1,643,210.87 lakhs.

Also, the Company has defaulted in repayment of borrowings from banks and financial institutions, including interest, aggregating to Rs. 1,170,031 lakhs till 31 March 2023. As described in the said note, the Company's other current financial liabilities as at 31 March 2023 include balances amounting to Rs. 558,160.14 Lakhs, in respect of which confirmations from the respective lenders have not been received while in case of certain lenders, the balance of borrowings and accrued interest confirmed as compared to balance as per books is higher by Rs. 33,391.43 lakhs and Rs. 28,652.86 lakhs respectively. In management's view, the Company has accrued for all the dues payable to the lenders in accordance with the terms of the respective loan agreements/ sanction letters.

The Hon'ble National Company Law Tribunal, New Delhi (the 'NCLT') vide order dated 19 September 2022, admitted an application for insolvency filed by an operational creditor against the Company and initiated Corporate Insolvency Resolution Process ('CIRP') under the Insolvency and Bankruptcy Code, 2016 ('IBC') while subsequently, in response to the appeal filed against the NCLT order, the Hon'ble National Company Law Appellate Tribunal ('NCLAT') vide its order dated 26 September 2022 had directed the Interim Resolution Professional ('the IRP') to abstain from taking any steps and has allowed the Company to participate further with the Ministry of Power in continuation of the earlier meetings/ discussions for making the plant operational, as detailed in the aforesaid note.

In view of significant uncertainties associated with the outcome of CIRP proceedings, the outcome of ongoing discussions with the lenders for settlement of dues and to secure firm and

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unconditional commitment for providing working capital loans /bank guarantees required for executing the power purchase agreement ('PPA') required to commence operations and the non-receipt of balance confirmations from the lenders or sufficient, and appropriate alternate audit evidence to support the management's assessment as mentioned above, we are unable to comment on the appropriateness of going concern assessment of the Company by the management and/ or adjustments, if any, that may further be required to be made to the carrying value of assets including property, plant and equipment of the Company aggregating to Rs 768,567.07 lakhs and the liabilities aggregating to Rs. 620,204.43 lakhs as at 31 March 2023, and the consequential impact thereof on the accompanying financial statements for the year ended 31 March 2023.

Our audit report on the financial statements for the year ended 31 March 2022 also included a disclaimer of opinion in respect of this matter.

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 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.



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- 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 2023 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 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 4 May 2023 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 30, 45 and 54 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
 - 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 2023;
 - 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 2023;
 - iv)
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 51(vi) 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(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether



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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 51(vii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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.
- v) The Company has not declared or paid any dividend during the year ended 31 March 2023;
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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



Deepak Mittal
Partner
Membership No.: 503843



UDIN: 23503843BGUTAW6668

Place: New Delhi
Date: 4 May 2023

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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 2023

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 Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

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 2023, 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.

(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 as compared to book records.

(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.

(iii) (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.

(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) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of



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loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.

- (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 are no amounts which have been deemed to be deposits 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 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, 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, have not been regularly deposited with the appropriate authorities and there have been significant delay in few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra, Gram Panchayat Act, 1958	Local Body taxes	285.34	Financial year 2021-22 and earlier years	30 March 2022	Not yet paid

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which 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 previously 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:



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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	110,059.19	Principal	Since Financial year 2017-18
		356,782.95	Interest	
	Rural Electrification Corporation Limited	107,142.88	Principal	
		297,385.92	Interest	
	Life Insurance Corporation of India Limited	13,231.27	Principal	
		41,535.54	Interest	
	Axis Bank	27,270.65	Principal	
		56,081.35	Interest	
	Bank of India	32,329.00	Principal	
		65,537.15	Interest	
	Punjab National Bank (erstwhile United Bank of India)	13,820.40	Principal	
		25,362.79	Interest	
	Canara Bank (erstwhile Syndicate Bank)	7,942.00	Principal	
		15,549.90	Interest	

Further, loans amounting to Rs. 9,178.08 lakhs are repayable on demand and such loans are interest free. Such loans have not been demanded for repayment during the current financial year.

- (b) According to the information and explanations given to us including representation received from the management of the Company read alongwith Note 51 (viii), 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, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.
- (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.



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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 2023

- (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 and on the basis of our examination of the records of the Company, 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) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, 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 its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

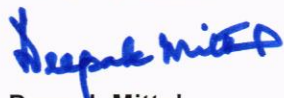


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Annexure A referred to in Paragraph 10 of the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited on the financial statements for the year ended 31 March 2023

- (xvi)(a) 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.
- (b) 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. 201,144.86 lakhs and Rs. 174,428.53 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 the 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 as 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 45 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, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company
- (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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Deepak Mittal
Partner
Membership No.: 503843



UDIN: 23503843BGUTAW6668

Place: New Delhi
Date: 4 May 2023

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 2023

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 Sinnar Thermal Power Limited ('the Company') as at 31 March 2023 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
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



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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 2023

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 2023:

We are unable to determine whether the Company's internal control system with respect to a) financial statements closure process towards assessing the Company's ability to continue as going concern, as explained in Note 45(a) to the financial statements, were operating effectively, due to uncertainties in the judgements and assumptions made by the Company; and b) ensuring completeness and accuracy of outstanding borrowings and interest accrued thereon, as explained in Note 45(b) to the financial statements, were operating effectively. These material weaknesses could potentially result in material misstatements in the carrying value and classification of assets, including property, plant and equipment and liabilities, including borrowings and interest accrued thereon and its consequential impact on the accompanying financial statements as at 31 March 2023.

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 2023, 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: 23503843BGUTAW6668



Place: New Delhi

Date: 4 May 2023

Sinnar Thermal Power Limited (CIN: U70109DL2007PLC157316)

Balance Sheet as at 31 March 2023

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

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4A	656,225.39	674,884.69
(b) Capital work-in-progress	4B	100,913.39	100,913.39
(c) Right of use assets	4C	7,975.18	8,077.42
(d) Intangible assets	5	-	-
(e) Financial assets			
(i) Investments	6	-	-
(ii) Loans	7	-	-
(iii) Other financial assets	8	316.65	388.03
(f) Non-current tax assets (net)	9	122.80	141.19
(g) Other non-current assets	10	9.58	99.88
(h) Assets held for sale	11	-	-
		765,562.99	784,504.60
Current assets			
(a) Inventories	12	941.08	941.18
(b) Financial assets			
(i) Cash and cash equivalents	13	24.57	162.54
(ii) Bank balances other than cash and cash equivalents	14	107.16	513.39
(iii) Loans	7	0.63	0.53
(iv) Other financial assets	8	133.72	157.40
(c) Other current assets	10	1,796.92	1,815.72
		3,004.08	3,590.56
TOTAL ASSETS		768,567.07	788,095.16
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	3,197.72	3,197.72
(b) Other equity	16	(880,963.89)	(660,131.98)
		(877,766.17)	(656,934.26)
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	-	400,053.40
(ii) Lease liabilities	18	106.99	106.99
(iii) Other financial liabilities	19	-	5,474.29
(b) Provisions	20	11.30	15.43
		118.29	405,650.11
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	721,026.86	320,118.87
(ii) Lease liabilities	18	-	-
(iii) Trade payables	22	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		15,914.54	13,132.94
(iv) Other financial liabilities	19	909,265.88	706,119.71
(b) Other current liabilities	23	6.84	7.41
(c) Provisions	20	0.83	0.58
		1,646,214.95	1,039,379.31
TOTAL EQUITY AND LIABILITIES		768,567.07	788,095.16

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.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/ N500013

Deepak Mittal

Deepak Mittal

Partner

Membership No.: 503843

Place: New Delhi

Date: 04 May 2023



For and on behalf of the Board of Directors

Jeevagan Narayana Swami Nadar

Jeevagan Narayana Swami Nadar

Director

DIN: 02393291

Place: New Delhi

Date: 04 May 2023

Sandeep Mittal

Sandeep Mittal

Chief Financial Officer

PAN: AJXPM770811

Place: New Delhi

Date: 04 May 2023

Asim Kumar De

Asim Kumar De

Director

DIN: 03619507

Place: Amravati

Date: 04 May 2023

Karan Maken

Karan Maken

Company Secretary

ACS 42081

Place: New Delhi

Date: 04 May 2023

Sinnar Thermal Power Limited (CIN: U70109DL2007PLC157316)

Statement of Profit and Loss for the year ended 31 March 2023

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

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue			
Other income	24	38.07	698.82
		38.07	698.82
Expenses			
Cost of fuel, power and water consumed	25	874.68	287.72
Employee benefits expense	26	29.07	81.47
Finance costs	27	197,497.39	173,179.60
Depreciation and amortisation expense	28	18,762.11	18,790.11
Other expenses	29	3,711.89	6,513.30
		220,875.14	198,852.20
Loss before exceptional items and tax		(220,837.07)	(198,153.38)
Exceptional items	46	-	43,773.00
Loss before tax		(220,837.07)	(241,926.38)
Tax expense			
Current tax expense		-	-
Deferred tax expense		-	-
Loss for the year		(220,837.07)	(241,926.38)
Other comprehensive income			
(a) Items that will not be reclassified to profit and loss			
(i) Re-measurement of post-employment benefit obligations (net of tax)		5.16	7.69
Other comprehensive income for the year		5.16	7.69
Total comprehensive loss for the year		(220,831.91)	(241,918.69)
Loss per equity share (face value of Rs.10 each)			
Basic (Rs.)	41	(690.61)	(756.56)
Diluted (Rs.)		(690.61)	(756.56)

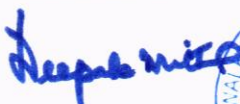
Significant accounting policies and accompanying notes are integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiook & Co LLP


Chartered Accountants

Firm Registration No.: 001076N/ N500013


Deepak Mittal
 Partner
 Membership No. : 503843

Place: New Delhi
 Date: 04 May 2023

For and on behalf of the Board of Directors


Jeevagan Narayana Swami Nadar
 Director
 DIN: 02393291

Place: New Delhi
 Date: 04 May 2023


Asim Kumar De
 Director
 DIN: 03619507

Place: Amravati
 Date: 04 May 2023




Sandeep Mittal
 Chief Financial Officer
 PAN: AJXPM77081I

Place: New Delhi
 Date: 04 May 2023


Karan Maken
 Company Secretary
 ACS 42081

Place: New Delhi
 Date: 04 May 2023

Statement of Changes in Equity for the year ended 31 March 2023

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

A Equity share capital (refer note 15)

As at 31 March 2023

Particulars	Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
Equity share capital	3,197.72	-	3,197.72	-	3,197.72

As at 31 March 2022

Particulars	Balance at the beginning of the current reporting year	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
Equity share capital	3,197.72	-	3,197.72	-	3,197.72

B Other equity (refer note 16)

Particulars	Reserves & surplus			Total
	Securities premium	Employee's stock options outstanding	Retained earning	
Balance as at 1 April 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 (net of tax)	-	-	7.69	7.69
Balance as at 31 March 2022	299,423.83	4.40	(959,560.21)	(660,131.98)
Loss for the year	-	-	(220,837.07)	(220,837.07)
Other comprehensive income (net of tax)	-	-	5.16	5.16
Amount transferred on account of options not exercised / lapsed	-	(4.40)	4.40	-
Balance as at 31 March 2023	299,423.83	-	(1,180,387.72)	(880,963.89)

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.


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


Deepak Mittal
Partner
Membership No. : 503843




Place: New Delhi
Date: 04 May 2023

For and on behalf of the Board of Directors


Jeevagan Narayana Swami Nadar
Director
DIN: 02393291

Place: New Delhi
Date: 04 May 2023


Asim Kumar De
Director
DIN: 03619507

Place: Amravati
Date: 04 May 2023




Sandeep Mittal
Chief Financial Officer
PAN: AJXPM7708H

Place: New Delhi
Date: 04 May 2023


Karan Maken
Company Secretary
ACS 42081

Place: New Delhi
Date: 04 May 2023

Sinnar Thermal Power Limited (CIN: U70109DL2007PLC157316)

Cash Flow Statement for the year ended 31 March 2023

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(220,837.07)	(241,926.38)
Adjustments for:		
Depreciation and amortisation expense	18,762.11	18,790.11
Interest income	(20.37)	(50.82)
Interest income on security deposit	(12.81)	
Finance costs	197,497.39	173,179.59
Loss/(gain) on foreign currency transactions (net)	816.46	(45.74)
Liabilities written back	(1.76)	(489.13)
Interest on security deposit reversal	-	27.52
Investment and loan written off	-	5,469.61
Expected loss provision	2,125.00	
Provision for doubtful advances/ CWIP written off	115.40	43,773.00
Operating loss before working capital changes	(1,555.65)	(1,272.24)
Movement in working capital		
Decrease in inventories	0.10	21.08
Decrease in other financial assets	0.68	0.72
Decrease in other assets	28.41	282.06
(Decrease)/Increase in other financial liabilities	(20.72)	299.62
Increase in trade payables	656.60	-
Increase/ (Decrease) in other liabilities	0.92	(7.17)
Cash used in operating activities post working capital changes	(889.66)	(675.93)
Income tax refund received/(paid) (net)	5.77	(6.53)
Net cash used in operating activities (A)	(883.89)	(682.46)
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(0.57)	(0.34)
Purchase of capital work-in-progress	-	(0.42)
Movement in fixed deposits (net)	457.68	7.48
Interest received	52.31	68.36
Net cash generated from investing activities (B)	509.42	75.08
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from inter corporate deposit	854.60	736.46
Finance cost paid	(179.11)	(31.33)
Net cash generated from financing activities (C)	675.49	705.13
Increase in cash and cash equivalents (A+B+C)	301.02	97.75
Cash and cash equivalents at the beginning of the year	(315.00)	(412.75)
Cash and cash equivalents at the end of the year	(13.98)	(315.00)

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Sinnar Thermal Power Limited (CIN: U70109DL2007PLC157316)

Cash Flow Statement for the year ended 31 March 2023

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

	As at 31 March 2023	As at 31 March 2022
Notes:		
a) Cash and cash equivalent comprises of: (refer note 13)		
Cash on hand	0.02	3.78
Balances with banks		
Current accounts	24.05	4.99
Deposits with original maturity upto 3 months	0.50	153.77
Less: Bank overdraft (refer note 19)	(38.55)	(477.54)
	(13.98)	(315.00)

b) Refer note 48 for reconciliation of liabilities arising from financing activities

The Statement of Cash Flow has been prepared in accordance with 'Indirect method' as set out in the Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act, 2013, read with the relevant rules thereunder.

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.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N / N500013



Deepak Mittal

Partner


Membership No. : 503843

Place: New Delhi

Date: 04 May 2023



For and on behalf of the Board of Directors


Jeevagan Narayana Swami Nadar

Director

DIN: 02393291

Place: New Delhi

Date: 04 May 2023



Asim Kumar De

Director

DIN: 03619507

Place: Amravati

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Sandeep Mittal

Chief Financial Officer

PAN: AJXPM7708H

Place: New Delhi

Date: 04 May 2023



Karan Maken

Company Secretary

ACS 42081

Place: New Delhi

Date: 04 May 2023

Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

1. Corporate Information

Nature of Operations

Sinnar Thermal Power Limited ('STPL' or 'the Company') is a public company domiciled and was incorporated on 3 January 2007 as a wholly owned subsidiary of RattanIndia Power Limited under the provisions of the Companies Act applicable in India. The registered office of the Company is situated at A-103, Road No. 4, Mahipalpur, New Delhi-110037.

The Company is principally engaged in the business of dealing in power generation, distribution, trading and transmission and other ancillary and incidental activities.

The Company has constructed a power plant at Nasik, Maharashtra. All 5 units of STPL have been commissioned, but are yet to commence commercial operations, pending the execution of power purchase agreement (PPA) for offtake of power.

The financial statements for the year ended 31 March 2023 were approved by the Board of Directors on 4 May 2023.

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.
- 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 indicated.

3. Summary of significant accounting policies

a) Basis of preparation

The financial statements have been prepared using the significant accounting policies and measurement basis as 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.

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



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

- 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.

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.

c) Revenue recognition

Revenue arises from the supply of power. 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.

d) 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.

e) Property, plant and equipment

Recognition and initial measurement

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization 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.

Any expenditure directly/ indirectly related and attributable to the construction of power projects and incidental to setting up power project facilities, incurred prior to the Commercial Operation Date (COD) of the Power Project, are accumulated under "Capital work-in-progress", to be capitalised on completion of construction of the respective power projects and facilities/ COD.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

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. Land is not subject to depreciation.

Property plant and equipment acquired and put to use for the purpose of the Project are capitalised and depreciation thereon is included in capital work-in-progress till the Project is ready for its intended use.

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.

f) Intangible assets

Recognition and initial measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Subsequent measurement (amortisation)

The intangible assets are amortised over a period in the range of three to five years on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Derecognition of intangible assets

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of profit and loss when the asset is derecognised.

g) Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company,
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Company has the right to direct the use of the identified asset throughout the period of use.



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

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, and any lease payments made in advance of the lease commencement date (net of any incentives received).

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 the 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.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets 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 profit or loss on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal and termination options where Company is lessee - The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

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 (FVPL) or fair value through other comprehensive income (FVOCI).

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:



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

- 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 FVOCI or FVTPL based on Company's business model. All investments in mutual funds in scope of Ind-AS 109 are measured at 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

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.

j) Investments in subsidiaries

The Company accounts for its investments in subsidiaries at cost in its financial statements in accordance with Ind AS- 27, Separate Financial Statements.

Profit/ loss on sale of investments is recognised on the date of the transaction of sale and is 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.

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 considers –

- 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 month expected credit losses.



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

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 Tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable income tax laws of India. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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.



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 Provision 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 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 unrecognised 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 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 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.

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.



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

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) 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 accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period of revision and future periods if the revision affects both the current and future periods. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit gratuity plan, post-retirement medical benefits and other defined benefit plan and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on mortality rates from Indian Assures Lives Mortality 2012-14. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the defined benefit plans are given in note 33.



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

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 of 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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

Impairment of property, plant and equipment

Determining whether property, plant and equipment are impaired requires an estimation of the value in use of the relevant cash generating units. The value in use calculation is based on a Discounted Cash Flow model over the estimated useful life of the Power Plants. Further, the cash flow projections are based on estimates and assumptions relating to tariff, operational performance of the Plants, life extension plans, market prices of coal and other fuels, exchange variations, inflation, terminal value etc. which are considered reasonable by the Management

Impairment of Investments made / Loans given to subsidiaries

In case of investments made and Intercompany Deposits ("ICD") given by the company to its subsidiaries, the Management assesses whether there is any indication of impairment in the value of investment and ICDs. The carrying amount is compared with the present value of future net cash flow of the subsidiaries.

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits under the Income Tax Act, 1961.

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.

t) Certain prior year amounts have been reclassified for consistency with the current year presentation. Such reclassification does not have any impact on the current year financial statements.

u) Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- a) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and include corresponding amendments to Ind AS 107 and Ind AS 34. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.
- b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

- c) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. Also, there is corresponding amendment to Ind AS 101. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company has evaluated the above amendments and the impact thereof is not expected to be material on these financial statements.



Sinnar Thermal Power Limited
Significant accounting policies and notes to the financial statements for the year ended 31 March 2023
(All amount in Rs. Lakhs, unless otherwise stated)

4A. Property, plant and equipment

Particulars	Buildings Plant	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Tools & tackles	Railway sidings	Total
Gross carrying amount									
Balance as at 1 April 2021	18,852.38	764,231.87	214.22	419.96	120.76	65.51	4.03	118.32	784,027.05
Additions	-	-	0.12	-	0.18	-	0.05	-	0.35
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	18,852.38	764,231.87	214.34	419.96	120.94	65.51	4.08	118.32	784,027.40
Additions	-	-	-	-	0.52	-	0.05	-	0.57
Disposals/adjustments	-	-	-	234.91	-	-	-	-	234.91
Balance as at 31 March 2023	18,852.38	764,231.87	214.34	185.05	121.46	65.51	4.13	118.32	783,793.06
Accumulated depreciation									
Balance as at 1 April 2021	4,445.31	85,183.31	196.70	401.61	120.19	65.51	4.03	38.30	90,454.96
Charge for the year	581.39	18,081.41	8.44	8.06	0.56	-	-	7.89	18,687.75
Disposals/adjustments	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	5,026.70	103,264.72	205.14	409.67	120.75	65.51	4.03	46.19	109,142.71
Charge for the year	557.73	18,081.40	5.39	7.34	0.10	-	0.02	7.89	18,659.87
Disposals/adjustments	-	-	-	234.91	-	-	-	-	234.91
Balance as at 31 March 2023	5,584.43	121,346.12	210.53	182.10	120.85	65.51	4.05	54.08	127,567.67
Net carrying amount									
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
Balance as at 31 March 2023	13,267.95	642,885.75	3.81	2.95	0.61	-	0.08	64.24	656,225.39

(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 17 and 39).

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

4B. Capital work-in-progress

Particulars	Capital work-in-progress	Total
Gross carrying amount		
Balance as at 1 April 2021	145,128.90	145,128.90
Additions	-	-
Disposals/adjustments (Phase-I)	442.51	442.51
Provision for impairment (Phase-II) - refer note 46	43,773.00	43,773.00
Balance as at 31 March 2022	100,913.39	100,913.39
Additions	-	-
Disposals/adjustments	-	-
Balance as at 31 March 2023	100,913.39	100,913.39

Project wise details are as follows:

Particulars	Amount as on 31 March 2023	Amount as on 31 March 2022
CWIP Phase I*	100,913.39	100,913.39
CWIP Phase II**	-	-

* Considering the recent developments enumerated in note 45, the management has assessed the CWIP to be active and is hopeful of the project getting completed along with other activities in near future.

** As enumerated in note 46, the activities related to CWIP Phase-II have been suspended and accordingly, during the previous year, the Company had accounted for impairment loss against CWIP Phase-II.

The Company does not have any capital-work-in progress whose cost has significantly exceeded its cost compared to its original plan, excluding the impact of matter enumerated in note 45.

Capital work-in-progress ageing schedule for 31 March 2023 and 31 March 2022 is as follows:

Particulars	Amount in capital work-in-progress for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress 31 March 2023	-	-	-	100,913.39	100,913.39
Project in progress 31 March 2022	-	-	-	100,913.39	100,913.39

4C. Right of use (Refer note 42)

Particulars	Right of use	Total
Gross carrying amount		
Balance as at 1 April 2021	9,201.83	9,201.83
Additions	-	-
Adjustments	-	-
Balance as at 31 March 2022	9,201.83	9,201.83
Additions	-	-
Adjustments	-	-
Balance as at 31 March 2023	9,201.83	9,201.83
Accumulated amortisation		
Balance as at 1 April 2021	1,022.22	1,022.22
Amortisation for the year	102.19	102.19
Adjustments	-	-
Balance as at 31 March 2022	1,124.41	1,124.41
Amortisation for the year	102.24	102.24
Adjustments	-	-
Balance as at 31 March 2023	1,226.65	1,226.65
Net carrying amount		
Balance as at 31 March 2022	8,077.42	8,077.42
Balance as at 31 March 2023	7,975.18	7,975.18

(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 17 and 39).

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Sinnar Thermal Power Limited**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

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

5. Intangible assets

Particulars	Software	Total
Gross carrying amount		
Balance as at 1 April 2021	240.18	240.18
Additions	-	-
Disposals/adjustments	-	-
Balance as at 31 March 2022	240.18	240.18
Additions	-	-
Disposals/adjustments	-	-
Balance as at 31 March 2023	240.18	240.18
Accumulated amortisation		
Balance as at 1 April 2021	240.01	240.01
Amortisation for the year	0.17	0.17
Balance as at 31 March 2022	240.18	240.18
Amortisation for the year	-	-
Balance as at 31 March 2023	240.18	240.18
Net carrying amount		
Balance as at 31 March 2022	-	-
Balance as at 31 March 2023	-	-

(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 17 and 39).



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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

6. 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 (Face value of Rs 10 each)

Less: Provision for impairment

Investments in equity instruments

Aggregate amount of quoted investments and market value thereof

Aggregate amount of unquoted investments

Aggregate amount of impairment in the value of investments

As at 31 March 2023		As at 31 March 2022	
No. of shares	Amounts	No. of shares	Amounts
90,906	-	500,858	5,058.61
-	-	-	(5,058.61)
90,906	-	500,858	-
-	-	-	-
-	-	-	-
-	-	-	5,058.61

(i) Term loan from Power Finance Corporation to Sinnar Thermal Power Limited is secured by pledge of 90,906 (31 March 2022: 500,858) equity shares held in Sinnar Power Transmission Company Limited.

(ii) During the previous year, the Company had 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 409,952 (31 March 2022: 419,152) equity shares of Sinnar Power Transmission Company Limited at Re. 1, resulting in decrease in shareholding from 54.44% to 9.88% (31 March 2022: 100% to 54.44%). During the previous year, the Company had reclassified such investment as asset held for sale. (also refer note 11 and 47).

7. Loans

Loans to:

Employees (unsecured, considered good)

Inter corporate deposit*

Credit impaired

Less: Provision for credit impaired

As at 31 March 2023		As at 31 March 2022	
Non-current		Current	
-	-	0.63	0.33
-	411.00	-	-
-	(411.00)	-	-
-	-	0.63	0.33

* Inter corporate deposit was given interest free to related party and was recoverable on demand

8. Other financial assets

Security deposits:

Premises

Others

Bank deposits with remaining maturity of more than 12 months maturity (i)

As at 31 March 2023		As at 31 March 2022	
Non-current		Current	
0.64	0.58	120.97	121.15
315.94	316.74	12.75	12.75
0.07	70.71	-	-
-	-	23.50	23.50
-	-	(23.50)	-
-	-	-	23.50
316.65	388.03	133.72	157.40

(i) Includes deposits under lien/ pledged against bank guarantees, refer note 30(D).

9. Non-current tax assets (net)

Advance income tax (net of provision)

As at 31 March 2023	As at 31 March 2022
122.80	141.19
122.80	141.19

10. Other assets

Capital advances

Credit impaired

Less: Provision for credit impaired

Advances for goods and services (unsecured, considered good)

Prepaid expenses

As at 31 March 2023		As at 31 March 2022	
Non-current		Current	
91.90	93.30	-	-
(91.90)	-	-	-
-	93.30	-	-
-	-	1,793.92	1,810.15
9.58	6.58	3.00	5.57
9.58	99.88	1,796.92	1,815.72

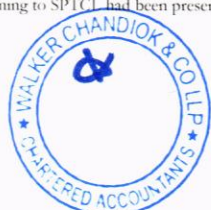
11. Asset held for sale

Investment in equity share (Re. 1/-)

90,906 (31 March 2022: 500,858) equity shares of Sinnar Power Transmission Company Limited (face value of Rs. 10 each) (net of provision)

As at 31 March 2023	As at 31 March 2022
-	-
-	-

Pursuant to share purchase agreement between Nettle Constructions Private Limited ('Buyer') and the Company, during the previous year, the Company had transferred 45.56% stake in its wholly-owned subsidiary, Sinnar Power Transmission Company Limited ("SPTCL") as per the terms agreed. During the current year, the Company has transferred additional 44.56% stake to the buyer. Accordingly, assets and liabilities pertaining to SPTCL had been presented at net realisable value of Re. 1/- in the previous year financial statements (refer note 47).



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

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

Coal - stores
Light diesel oil - stores
Stores and spares
Other consumables

As at 31 March 2023	As at 31 March 2022
854.91	854.91
68.59	68.59
17.28	17.38
0.30	0.30
941.08	941.18

13. Cash and cash equivalents

Cash on hand
Balances with banks
 Current accounts
 Deposits with original maturity upto 3 months

As at 31 March 2023	As at 31 March 2022
0.02	3.78
24.05	4.99
0.50	153.77
24.57	162.54

14. Bank balances other than cash and cash equivalents

Fixed deposits with original maturity for more than 3 months but less than 12 months (i)

As at 31 March 2023	As at 31 March 2022
107.16	513.39
107.16	513.39

(i) Includes deposits are under lien/ pledged against bank guarantees, refer note 30(D).

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

15. Equity share capital

Authorised capital

65,300,000 (31 March 2022: 65,300,000) equity shares of Rs. 10 each

As at 31 March 2023	As at 31 March 2022
6,530.00	6,530.00
6,530.00	6,530.00

Issued, subscribed and fully paid up capital

31,977,246 (31 March 2022: 31,977,246) equity shares of Rs. 10 each fully paid up

3,197.72	3,197.72
3,197.72	3,197.72

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

	As at 31 March 2023		As at 31 March 2022	
	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	-	-	-	-
Equity shares at the end of the year	31,977,246	3,197.72	31,977,246	3,197.72

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

RattanIndia Power Limited

31,977,246 (31 March 2022: 31,977,246) equity shares of Rs. 10 each fully paid up

As at 31 March 2023	As at 31 March 2022
3,197.72	3,197.72

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

	As at 31 March 2023		As at 31 March 2022	
	No of shares	% Holding	No of shares	% Holding
Equity shares of Rs. 10 each fully paid up*	31,977,246	100 ⁰⁰	31,977,246	100 ⁰⁰

RattanIndia Power Limited and its nominees

The above information has been furnished as per the shareholders' register as at the year end.

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	As at	No of shares	% of total shares	% change during the year
RattanIndia Power Limited*	31 March 2023	31,977,246	100 ⁰⁰	-
	31 March 2022	31,977,246	100 ⁰⁰	-

*Refer note no 45

16. Other equity

Retained earnings
Securities premium
Employee's stock options

As at 31 March 2023	As at 31 March 2022
(1,180,387.72)	(959,560.21)
299,423.83	299,423.83
-	4.40
(880,963.89)	(660,131.98)

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 Employee stock option plan.

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

17. Borrowings

	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Non-current		Current	
Secured				
Term loans				
From consortium of banks	-	60,504.30	141,866.35	81,362.05
From consortium of financial institutions	-	339,549.10	569,982.43	230,433.34
	-	400,053.40	711,848.78	311,795.39

(i) Loans from consortium of banks aggregating to Rs. 141,866.35 lakhs (31 March 2022: Rs. 141,866.35 lakhs) and from financial institutions aggregating to Rs. 569,982.43 lakhs (31 March 2022: Rs. 569,982.43 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 I. The aforesaid phase I loans are further secured by pledge of 31,977,246 (31 March 2022: 31,977,246) equity shares of 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.

(iii) The above mentioned loans from consortium of banks and financial institutions carry floating rates of interest ranging from 12.85% p.a. to 17.30% p.a. (31 March 2022: 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 banks and financial institutions as mentioned below:

	0-3 Months	3-12 Months	More than 12 Months	Total
Consortium financial institutions				
Principal	12,157.62	36,472.85	181,802.87	230,433.34
Interest	6,544.58	68,850.00	620,309.84	695,704.42
Total	18,702.20	105,322.85	802,112.71	926,137.76
Consortium banks				
Principal	3,698.28	11,094.83	66,568.84	81,361.95
Interest	6,365.95	29,296.26	126,869.08	162,531.29
Total	10,064.23	40,391.09	193,437.92	243,893.24

18. Lease liabilities

Lease liabilities (refer note 42)

	As at	As at	As at	As at
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	Non-current		Current	
	106.99	106.99	-	-
	106.99	106.99	-	-



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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

19. Other financial liabilities

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Non-current		Current	
Retention money	-	5,474.29	28,453.23	22,181.15
Interest accrued but not due - term loans	-	-	22,470.49	11,307.16
Interest accrued and due - term loans	-	-	858,235.71	672,080.76
Security deposit	-	-	32.29	32.29
Earnest money deposit payable	-	-	3.00	6.00
Other financial liabilities	-	-	17.09	19.09
Payables on purchase of property, plant and equipment	-	-	15.52	15.72
Bank overdraft	-	-	38.55	477.54
	-	5,474.29	909,265.88	706,119.71

20. Provisions

Provision for employee benefits (Refer note no 33)

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
	Non-current		Current	
Provision for compensated absences	1.27	2.41	0.09	0.06
Provision for gratuity	10.03	13.02	0.74	0.32
	11.30	15.43	0.83	0.38

21. Borrowings (short-term)

Secured

Current maturities of

Term loan from consortium of banks

Term loan from consortium of financial institutions

Unsecured

Loans from related party - inter corporate deposits*

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

	As at 31 March 2023	As at 31 March 2022
	141,866.35	81,362.05
	569,982.43	230,433.34
	9,178.08	8,323.48
	721,026.86	320,118.87
	As at 31 March 2023	As at 31 March 2022
	15,914.54	13,132.94
	15,914.54	13,132.94

22. Trade payables

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

Trade payable ageing schedule for As at 31 March 2023 and As at 31 March 2022 is as follows:

Particulars	Year	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	
Due to MSME:	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	-	-
Due to others	2022-23	2,917.39	541.87	536.60	125.61	11,793.07	15,914.54
	2021-22	704.02	492.91	142.96	5,367.36	6,425.69	13,132.94
Dispute dues to MSME:	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	-	-
Dispute dues to others	2022-23	-	-	-	-	-	-
	2021-22	-	-	-	-	-	-
Total	2022-23	2,917.39	541.87	536.60	125.61	11,793.07	15,914.54
	2021-22	704.02	492.91	142.96	5,367.36	6,425.69	13,132.94

23. Other current liabilities

Statutory dues

Other current liabilities

	As at 31 March 2023	As at 31 March 2022
	0.72	0.65
	6.12	6.76
	6.84	7.41

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

	<u>For the year ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
24. Other income		
Interest on		
Bank deposits at amortised cost	20.37	37.36
Income tax refund	0.72	-
Security deposits	12.81	13.46
	<u>33.90</u>	<u>50.82</u>
Other income		
Rental income	-	57.00
Gain on foreign currency transactions	-	45.74
Liabilities/ provisions written back	1.76	489.13
Miscellaneous income	2.41	56.13
	<u>4.17</u>	<u>648.00</u>
	<u>38.07</u>	<u>698.82</u>
25. Cost of fuel, power and water consumed		
Electricity consumed	449.78	47.78
Consumable consumed	-	6.57
Water consumed	424.90	233.37
	<u>874.68</u>	<u>287.72</u>
26. Employee benefits expense		
Salaries , wages and bonus	21.33	73.05
Contribution to provident and other funds	3.40	3.81
Provision for gratuity and compensated absences	3.86	4.43
Staff welfare expenses	0.48	0.18
	<u>29.07</u>	<u>81.47</u>
27. Finance costs		
Interest on		
Term loans	197,356.67	173,148.26
Finance lease obligations	12.84	12.84
Others	108.92	0.33
Other finance costs		
Finance charges	15.33	13.62
Bank guarantee charges	3.63	4.55
	<u>197,497.39</u>	<u>173,179.60</u>
28. Depreciation and amortisation expense		
Depreciation on		
Property, plant and equipment	18,659.87	18,687.75
Amortisation on		
Intangible assets	-	0.17
Right of use assets	102.24	102.19
	<u>18,762.11</u>	<u>18,790.11</u>



Sinnar Thermal Power Limited**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

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

29. Other expenses

Rent (refer note 42)

Rates and taxes

Legal and professional charges*

Communication

Plant preservation and maintenance

Printing and stationery

Travelling and conveyance

Insurance expenses

Running and maintenance

Security expenses

House keeping expenses

Investment and loan written off (refer note 47)

Loss on foreign currency transactions

Provision for doubtful advances

Expected loss provision (refer note 54)

Miscellaneous expenses

	<u>For the year ended 31 March 2023</u>	<u>For the year ended 31 March 2022</u>
	8.02	16.18
	69.12	58.05
	150.49	19.58
	1.14	3.09
	192.23	281.91
	0.48	0.39
	22.70	20.76
	-	287.44
	7.56	9.38
	169.62	312.26
	19.31	30.55
	-	5,469.60
	816.46	-
	115.40	-
	2,125.00	-
	14.36	4.11
	<u>3,711.89</u>	<u>6,513.30</u>

*Includes remuneration to auditors (excluding applicable taxes):

As auditors- statutory audit

12.00	12.00
<u>12.00</u>	<u>12.00</u>

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30 Details of contingent liabilities, pending litigations and other matters:

A. Claims against the company not acknowledged as debt:

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 of Delhi 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:

- (i) Application under Section 17 of the Arbitration and Conciliation Act, 1996 seeking an interim prayer of release of bank guarantees.
- (ii) Application seeking amendment of the claim petition.
- (iii) 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 heard the arguments of both BHEL and the Company and the Tribunal had 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. Cross examination of Claimant's witness is ongoing. In the meanwhile, NCLT vide its order dated 19 September 2022 admitted the application under section 9 and initiated corporate insolvency proceedings against STPL (refer note 45(a) for further details on CIRP proceedings). The present proceedings have been stalled in light of the current status of STPL.

Petition was also 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 16 May 2023.

2 The Company had 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 was 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, the Company filed writ petition before the Hon'ble High Court of Madras during the year 2012 against the recovery of VAT by BHEL. The matter was listed for hearing and the Hon'ble High Court issued a notice and had ordered for status quo. The notice for the same was accepted by the state counsel. The Hon'ble High Court had heard the matter and reserved the order.

3 Arbitration proceedings had 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 Company's Thermal Power Plant at Nashik (Phase -I). Affidavit of admission/denial of the additional documents and 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. Final arguments are on-going. In the meanwhile, NCLT vide its order dated 19 September 2022 admitted the application under section 9 and initiated corporate insolvency proceedings against STPL (refer note 45(a) for further details on CIRP proceedings). On the next date of hearing, it is to be decided whether the present proceedings can continue or not. The next date of hearing is to be intimated.

4 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. The Hon'ble has allowed the claims filed by Shapoorji Pallonji Co. Pvt. Ltd amounting to Rs. 6,500.00 lakhs approximately. STPL has filed an appeal under section 34 of A&C Act before the Hon'ble High Court of Delhi for setting aside the arbitral award. Notice is yet to be issued. The next date of hearing in the matter is 19 May 2023. Shapoorji Pallonji Co. Pvt. has filed an execution petition under section 36 of the Arbitration Act before the Hon'ble High Court of Delhi for executing the arbitral award. The court was informed that a moratorium is operating against STPL due to CIRP proceedings, therefore, no action can be taken against STPL. The next date of hearing is 19 May 2023.

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 (DHC) on 25 February 2022. Notice has been issued by the Hon'ble DHC. Written submissions have been filed by the parties. The next date of hearing in the matter is 19 July 2023.

6 Arbitration proceedings have been initiated by Larsen & Toubro Ltd. (L&T) against the Company and RattanIndia Power Limited (RPI) 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. The next date of hearing is to be intimated by the Arbitral Tribunal.

7 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 01 July 2023.

8 An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, New Delhi filed by Canara Bank (Syndicate bank) (being the Financial Creditor) to initiate a corporate insolvency resolution process against the Company (being Corporate Debtor) in view of the pending payments. Notice is yet to be issued. Application has been filed by Canara Bank to keep the present proceedings in abeyance till the NCLAT order under CIRP proceedings has been either disposed off or stay is vacated. The next date of hearing is 17 May 2023.



Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

- 9 Ion Exchange has filed a section 11 petition before the Hon'ble High Court of Delhi against STPL & Others for appointment of an Arbitrator in relation to the disputes pertaining to Sewage Treatment Plant and Tertiary Treatment Plant for Nashik TPP. Notice has been issued. Pleadings are yet to be completed. The next date of hearing is 09 May 2023.
- 10 Arbitration proceedings have been initiated by Techno Industries against STPL & Ors with regard to construction of Lifts/ Elevators pertaining to Nashik TPP. Pleadings have been completed. Affidavit of evidence has been filed by the parties. Listed for hearing on application to place on record additional documents filed by Claimant and its reply thereto. Next date of hearing is 05 May 2023.
- 11 Suyojit Infrastructure Pvt. Ltd initiated arbitration proceedings against STPL & Anr with respect to construction of Township near Nashik TPP. It was ordered by the Tribunal that the Company is merely a performa party. However, recently an application has been filed in the present arbitration for impleading the Company also. Reply to the same has been filed by the Company. The tribunal has directed the Claimant to file an amended memo of parties. The proceedings were in abeyance as the Claimant had not paid the fees of the Arbitral tribunal. The matter is now fixed for hearing on application for continuance of the present arbitral proceedings against the Company. Next date of hearing is to be intimated.
- 12 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 had filed its Statement of Claim and thereafter, Amended Statement of Claim. STPL 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 the Company. 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. The Company had filed its Statement of Defence. Arguments on section 16 application to take place on the next date of hearing. Affidavit of Admission/Denial has been filed by the parties. Issues have been framed. Affidavit of evidence has been filed by GECPL. Cross examination of Claimant's witness is ongoing. The next date of hearing in the matter is 13 July 2023.
- 13 A petition hearing no. 43/2017 has been filled 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 alleged to be due from the Company. The matter has been reserved for orders.
- 14 A Case has been filed by Mr. Rajendera Yashwant Adhangle before Labour Court, Nashik against the Company that his employment termination is unlawful and illegal. The matter is fixed for applicant's evidence. The next date of hearing in the matter is 16 May 2023.

The management basis inputs from legal experts has assessed that likelihood of any liability devolving upon the Company in respect of the above matters is not probable and accordingly, no adjustment is currently required in these financial statements.

B Contingent Liabilities of Demand pending under the Income Tax Act, 1961 and other matters not provided for in respect of:

- 1 For AY 2011-12 to AY 2017-18, the Honourable Income- tax Appellate Tribunal ('ITAT' or 'Tribunal') in its order dated 5 May 2021 decided the matter related to certain disallowances/addition aggregating to Rs. 3,458 lakhs in favour of the Company. However, on accessing the Honourable High Court (HC) of Mumbai portal, the Company noted that 2 appeals have been filed by the department against the ITAT order which are yet to be admitted by the HC. Currently, the Company has not received any notice in this regard.
- 2 For AY 2018-19, the Income Tax Department has filed an appeal before ITAT against the favourable order of CIT (Appeals) , challenging the additions/ disallowances aggregating to Rs. 903 Lakhs, which is currently pending for disposal.

The management basis inputs from experts has assessed that likelihood of any liability devolving upon the Company in respect of the above matters is not probable and accordingly, no adjustment is currently required in these financial statements.

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C Other pending litigations as on 31 March 2023 :

1 Subsequent to the earlier bidding by Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 2000 MW (+30% a / -20% a) wherein EMCO Energy Limited was 1.1, RattanIndia Power Limited was 1.2, Adani Power Maharashtra Limited (APML) was 1.3, the Company was 1.4 and Wardha Power Company Limited (WPCL) was 1.5. 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.

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 had 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 had developed railway line for transportation of coal to its Nashik Power Plant. For the development of railway line, Maharashtra Industrial Development Corporation (MIDC) had 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 before Hon'ble Supreme Court on 22 February 2016. The matter is currently listed for final disposal. The next date of hearing in the matter is 22 August 2023 (tentative).

3 A Writ petition for quashing the order dated 27 October 2022 has been filed by Chandan Mishra (suspended director of the Company) against Union of India & Others W.P (C) 10566/2022 before the Hon'ble High Court of Delhi in relation to the letter dated 27 October 2022 issued by MCL to Axis bank invoking the bank guarantee dated 25 September 2013 as extended from time to time. Notice has been issued. Interim protection granted, Bank not to take any coercive action till next date of hearing. The next date of hearing is 01 August 2023.

4 The Company has filed Writ Petition before Hon'ble High Court challenging the order passed by IGR, Pune whereby the Company was directed 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 had filed reply to the case. The matter will come up for hearing at the stage of admission. The next date in the matter is yet to be intimated.

5 A suit for permanent injunction has been filed by the Company against Mahanadi Coalfields Limited & Others praying before the Hon'ble District Court, Bhubaneswar 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 the Company 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 24 August 2023.

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

- 6 (i) A suit for declaration and perpetual injunction has been filed by the Company against Western Coalfields Limited & Others praying before the Hon'ble District Court, Nagpur 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 the Company 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 hearing on 23 June 2023.
- (ii) The said suit for declaration and perpetual injunction has been filed by the Company against Western Coalfields Limited & Others praying before the District Court, Nagpur for :
- Passing a Decree of Declaration in favour of the Company and against Western Coalfields Limited & Others, and all persons etc. claiming through or under them, declaring that the action of Western Coalfields Limited to not to insist for invocation and the action of Punjab National Bank to permit invocation / encashment of the Bank Guarantee No. 2164H.G020110 dated 08 October 2010, which was valid till 30 June 2019, in the peculiar facts and circumstances of the case is illegal, void ab initio;
 - Passing a Decree of Declaration in favour of the Company and against the Defendants, Western Coalfields Limited & Others and all persons etc. claiming through or under them, declaring that with the withdrawal/cancellation/ abandonment of the LoA dated 29 November 2010 issued by the Defendant No.1, the Bank/Commitment Guarantee submitted with the Western Coalfields Limited, cannot attempted to be encashed, as the said Bank/Commitment Guarantee was furnished only for fulfilment of the terms of the said LoA and the action of the Defendants in ignoring these facts is absolutely illegal;
 - Pass a decree of permanent injunction in favour of the Company and against Western Coalfields Limited, its agents, servants and everyone claiming through or under them, restraining them from invoking/encashing Bank Guarantee No. 2164H.G020110 dated 08 October 2010 which was valid till 30 June 2019, in the facts and circumstances stated herein; The matter is listed for hearing on 23 June 2023.
- 7 A Public Interest Litigation No.77 of 2012 has been filed before Aurangabad Bench Bombay High Court by Machindra & Other agriculturists from Kopargaon against State of Maharashtra & Others challenging allocation of water for the Company's Thermal Power Plant being setup at Nasik. The Company has filed its reply and has raised its objections as to the maintainability of the Public Interest Litigation. The matter is listed for Admission before the Hon'ble Court. The next date of hearing of the matter is to be intimated.
- 8 The Company has filed an Arbitration petition under Section 34 of the Arbitration and Conciliation Act before Thane District Court, Maharashtra challenging the order passed by MSEFC Nashik in the matter of Superannuated Railwaymen's Rail Operations and Maintenance Cooperative Society Ltd. (SRROMS). The MSEFC passed an award against the Company. Notices have been issued to the defendant. In view of the moratorium operating against STPI, the matter is adjourned till further orders.
- 9 An appeal has been filed by the Company before the Hon'ble Bombay High Court challenging the Order passed by Railways Claim Tribunal, Mumbai, whereby the Tribunal had held that it has no jurisdiction to try the case and had rejected the case of the Company. In the said case the Company has challenged the said order of Railway department whereby it had imposed the demurrage charges also called as Wharfage Charges due to holding up of rakes of coal, before Solapur division of Railway. The concerned officer of the department after hearing the parties had granted partial relief and directed the company to deposit 50% of the Wharfage Charges. However, since the condition was out of control of the company, the company had invoked the force majeure clause and challenged the said order before Railways Claim Tribunal, Mumbai. The Hon'ble Court after hearing the matter has granted stay and admitted the matter. The next date of hearing in the matter is to be intimated.

The Company is involved in various legal proceedings and other regulatory matters relating to conduct of its business. In respect of such claims, the Company believes that these claims do not constitute material litigation matters and with its meritorious defences, the ultimate disposition in these matters will not have material adverse effect on these financial statements.

D Others

The Company has provided commitment for bank guarantees of Rs.8,688.49 lakhs (31 March 2022: Rs. 8,688.49 lakhs), which are secured by pledge on its fixed deposits of Rs. 7.36 Lakhs (31 March 2022: Rs 564.30 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. Nil lakhs (31 March 2022: Rs. 341.47 lakhs) as margin for issuance of commitment bank guarantee of Rs. 5,590.68 lakhs (31 March 2022: Rs. 5,590.68 lakhs)

- 31 Estimated amount of contracts remaining to be executed on account of capital and other commitments towards the project, not provided for: Rs. Nil (31 March 2022: Rs. 201.87 lakhs) - advances made there against Rs. Nil (31 March 2022: Rs. 0.44 lakhs)

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

32 As at 31 March 2023, 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 2023 have lapsed.

33 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. 2.53 lakhs (31 March 2022: Rs. 2.81 lakhs) towards employer's contribution towards Provident Fund.

Defined benefits:

Gratuity scheme - This is an unfunded defined benefit plan and it entitles an employee, who has rendered at least 5 years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit/death as below.

i) On normal retirement / early retirement / withdrawal / resignation: As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service: As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period. Gratuity payable to employee in case (i) and (ii), as mentioned above, is computed as per the Payment of Gratuity Act, 1972 except that the Company does not have any limit on gratuity amount.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of gratuity and the amounts recognised in the financial statements for the year ended 31 March 2023:

Particulars	Gratuity	
	31 March 2023	31 March 2022
Liability recognised in the balance sheet		
Present value of obligation as at the beginning of the year	13.34	25.76
Current service cost	1.38	1.52
Interest cost	1.21	1.59
Benefits paid	-	(7.84)
Actuarial (gains)/ losses	(5.16)	(7.69)
Net liability in the balance sheet (as per actuarial valuation)	10.77	13.34
Expenses during the year		
Current service cost	1.38	1.52
Interest cost	1.21	1.59
Actuarial (gains)/ losses	-	-
Component of defined benefit cost charged to statement of profit and loss	2.59	3.11
Remeasurement of post-employment benefit obligations:		
Actuarial losses/ (gains)	(5.16)	(7.69)
Component of defined benefit cost recognised in other comprehensive income	(5.16)	(7.69)

Actuarial (gains)/ losses on obligation

Particulars	Gratuity	
	31 March 2023	31 March 2022
Actuarial (gain)/ loss on arising from change in demographic assumption	0.20	-
Actuarial (gain)/ loss on arising from change in financial assumption	3.92	(0.66)
Actuarial (gain)/ loss on arising from change in experience adjustment	(9.28)	(7.03)

The actuarial valuation in respect of commitments and expenses relating to unfunded gratuity 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 2023	31 March 2022
Discount rate	7.36%	7.18%
Expected rate of salary increase	7.00%	5.00%

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

b) Demographic assumptions

Particulars	31 March 2023	31 March 2022
Retirement Age	60 Years	60 Years
Mortality table	I.A.M (2012 - 14)	I.A.M (2012 - 14)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
- Upto 30 Years	6.35	3.00
- From 31 to 44 Years	6.02	2.00
- Above 44 Years	6.83	1.00

The employer's best estimate of contributions expected to be paid during the annual period beginning after the balance sheet date, towards gratuity is Rs. 1.76 lakhs (31 March 2022: Rs. 2.37 lakhs) .

c) Sensitivity analysis of defined benefit obligation

Particulars	31 March 2023	31 March 2022
a) Impact of the change in discount rate		
i) Impact due to increase of 0.50% (31 March 2022: 0.50%)	(0.45)	(0.76)
ii) Impact due to decrease of 0.50% (31 March 2022: 0.50%)	0.48	0.84
b) Impact of the change in salary increase		
i) Impact due to increase of 0.50% (31 March 2022: 0.50%)	0.48	0.85
ii) Impact due to decrease of 0.50% (31 March 2022: 0.50%)	(0.45)	(0.78)

Sensitivities due to mortality and withdrawals are not material and 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 2023	31 March 2022
Less than 1 year	0.74	0.33
Year 1 to 5	2.50	0.94
More than 5 years	7.53	12.07

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Sinnar Thermal Power Limited**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

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

34 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:

I. Holding Company*	RattanIndia Power Limited
II. Subsidiary Company	Sinnar Power Transmission Company Limited (upto 11 May 2022)
III. Fellow Subsidiary Companies	Poena Power Development Limited Bracond Limited
IV. Associate Company	Sinnar Power Transmission Company Limited (from 12 May to 27 July 2022)
V. Entities having substantial interest in Holding Company*	RR Infralands Private Limited
VI. Enterprise over which key management personnel have significant influence* (with whom transaction have been entered during the year/ previous year)	Nettle Constructions Private Limited

VII. Key Management Personnel*

Name	Designation
Rajiv Rattan**	Executive Chairman and Director of the Holding Company
Brijesh Narendra Gupta	Managing Director of the Holding Company (w.e.f. 16 July 2022)
Vibhav Agarwal	Managing Director of the Holding Company (upto 30 June 2022)
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) and Director of the Company.
Ankur Mitra	Chief Financial Officer of the Holding Company
Lalit Narayan Mathpati	Company Secretary of the Holding Company
Jeevagan Narayana Swami Nadar	Independent Director
Lokesh Singh	Director
Rahul Mutreja	Company Secretary (upto 01 December 2022)
Karan Maken***	Company Secretary (w.e.f. 04 May 2023)
Sandeep Mittal	Chief Financial Officer
Gautam Wazir	Manager

*Also refer note 45(a)

**Appointed as an Executive Chairman of the holding Company w.e.f. 01 October 2022.

*** Refer note 53

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

VIII. Summary of outstanding balances:

Nature of transactions	As at	Holding Company	Subsidiary/ Associate companies	Enterprises over which key management personnel have significant influence	Total
Loans/ Inter corporate deposits taken	31 March 2023	7,468.18	-	1,709.90	9,178.08
	31 March 2022	6,939.02	-	1,384.46	8,323.48
Payable for purchase of goods	31 March 2023	515.03	-	-	515.03
	31 March 2022	515.03	-	-	515.03
Loans/ Inter corporate deposits given*	31 March 2023	-	0.00	-	0.00
	31 March 2022	-	0.00	-	0.00
Other payables	31 March 2023	-	0.02	-	0.02
	31 March 2022	-	0.02	-	0.02
Bank guarantees	31 March 2023	Refer note 30 (D)	-	-	-
	31 March 2022	-	-	-	-
Pledge of shares	31 March 2023	Refer note 17	-	-	-
	31 March 2022	-	-	-	-

*Also refer note 7 and 11

IX. Summary of transactions with related parties:

Nature of transactions	Year ended	Holding Company	Subsidiary/ Associate companies	Enterprises over which key management personnel have significant influence	Total
Finance					
Loans/ Inter corporate deposit taken	31 March 2023	529.16	-	325.44	854.60
	31 March 2022	-	-	736.46	736.46
Other payables	31 March 2023	-	-	-	-
	31 March 2022	-	0.02	-	0.02

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

X. Statement of material transactions :

Name	Year ended	Loans/ Inter corporate deposit taken	Other payables
Holding Company			
RattanIndia Power Limited	31 March 2023	529.16	-
	31 March 2022	-	-
Subsidiary/ Associate companies			
Sinnar Power Transmission Company Limited	31 March 2023	-	-
	31 March 2022	-	0.02
Enterprises over which key management personnel have significant influence			
RR Infralands Private Limited	31 March 2023	325.44	-
	31 March 2022	736.46	-
Nettle Constructions Private Limited (refer note 11 & 47)	31 March 2023	-	-
	31 March 2022	-	0.00

XI. Statement of outstanding balances :

Name	As at	Loans/ Inter corporate deposit taken	Payable for purchase of goods	Payable/ (recoverable) on purchase of fixed assets and other general expenses
Holding Company				
RattanIndia Power Limited	31 March 2023	7,468.18	515.03	-
	31 March 2022	6,939.02	515.03	-
Subsidiary/ Associate companies				
Sinnar Power Transmission Company Limited	31 March 2023	-	-	0.02
	31 March 2022	-	-	0.02
Enterprises over which key management personnel have significant influence				
RR Infralands Private Limited	31 March 2023	1,709.90	-	-
	31 March 2022	1,384.46	-	-

(i) There are no non cash transactions entered with promoters or directors.

(ii) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.



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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

	As at 31 March 2023	As at 31 March 2022
35. Deferred tax assets/(liabilities) (net)		
Tax effect of items constituting deferred tax liabilities		
Property, plant and equipment	(1,70,575.25)	(1,70,276.45)
	(1,70,575.25)	(1,70,276.45)
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation and brought business losses (i)	1,70,571.57	1,70,271.74
Employee benefit obligations	3.53	4.60
Others	0.15	0.11
	1,70,575.25	1,70,276.45
	-	-

(i) In the absence of reasonable certainty of availability of surplus taxable profits, 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. 569,526.63 lakhs (31 March 2022: Rs. 619,749.12 lakhs) are available for offset for maximum period of eight years from the incurrence of loss [also refer note 45 (a)].

Movement in deferred tax assets/ (liabilities)

Particulars	As at 01 April 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(1,70,276.45)	(298.80)	-	(1,70,575.25)
	(1,70,276.45)	(298.80)	-	(1,70,575.25)
Tax effect of items constituting deferred tax assets				
Unabsorbed depreciation and brought business losses	1,70,271.74	298.33	1.50	1,70,571.57
Employee benefit obligations	4.60	0.43	(1.50)	3.53
Others	0.11	0.04	-	0.15
	1,70,276.45	298.80	-	1,70,575.25
Deferred tax assets/ (liabilities) (net)	-	-	-	-

Particulars	As at 01 April 2021	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2022
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	(1,67,720.60)	(2,555.85)	-	(1,70,276.45)
Others	(0.02)	0.02	-	-
	(1,67,720.62)	(2,555.83)	-	(1,70,276.45)
Tax effect of items constituting deferred tax assets				
Unabsorbed depreciation and brought business losses	1,67,712.06	2,557.44	2.24	1,70,271.74
Employee benefit obligations	8.44	(1.60)	(2.24)	4.60
Others	0.12	(0.01)	-	0.11
	1,67,720.62	2,555.83	-	1,70,276.45
Deferred tax assets/ (liabilities) (net)	-	-	-	-

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

36 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) 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 37(i)).

(iii) 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.

37 Financial risk management

(i) Financial instruments by category

Particulars	31 March 2023			31 March 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Loans:						
Security deposits	-	-	450.30	-	-	451.22
Loans	-	-	0.63	-	-	0.33
Inter corporate deposits	-	-	-	-	-	411.00
Cash and cash equivalents	-	-	24.57	-	-	162.54
Other bank balances	-	-	107.23	-	-	584.10
Other financial assets	-	-	-	-	-	23.50
Total	-	-	582.73	-	-	1,632.69
Financial liabilities						
Borrowings	-	-	721,026.87	-	-	720,172.27
Trade payable	-	-	15,914.54	-	-	13,132.94
Other financial liabilities	-	-	909,372.87	-	-	711,700.99
Total	-	-	1,646,314.28	-	-	1,445,006.20

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 36(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 2023 and 31 March 2022, as summarised below:

Particulars	31 March 2023	31 March 2022
Loans (i)	450.93	862.55
Cash and cash equivalents (ii)	24.55	158.76
Other bank balances (ii)	107.23	584.10
Other financial assets (i)	-	23.50

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Sinnar Thermal Power Limited**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

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

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 2023	Less than 1 year*	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings (including interest accrued)	1,313,397.99	345,976.45	165,469.34	1,824,843.78
Trade payables	15,914.54	-	-	15,914.54
Finance lease obligations	-	-	106.99	106.99
Other financial liabilities	28,559.68	-	-	28,559.68
Total	1,357,872.21	345,976.45	165,576.33	1,869,424.99

31 March 2022	Less than 1 year*	1-5 years	More than 5 years	Total
Non-derivatives				
Borrowings (including interest accrued)	1,050,975.21	396,587.13	233,208.69	1,680,771.03
Trade payables	13,132.94	-	-	13,132.94
Finance lease obligations	-	-	106.99	106.99
Other financial liabilities	22,731.79	5,474.29	-	28,206.08
Total	1,086,839.94	402,061.42	233,315.68	1,722,217.04

* includes loan repayable on demand

** refer note 17 for details of continuing defaults as at reporting date.

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Sinnar Thermal Power Limited**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

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

C) Market Risk**a) Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to amount payable to capital creditors in US Dollar and EURO. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting years are as under:-

Particulars	As at 31 March 2023		As at 31 March 2022	
	Amount in Foreign currency	Amount (INR in lakhs)	Amount in Foreign currency	Amount (INR in lakhs)
Creditor	USD 4,601,513.45	3,783.22	USD 4,601,513.45	3,488.27
	EURO 10,540,568.51	9,445.15	EURO 10,540,568.51	8,923.63

Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the sensitivity risk at the end of the reporting years are as under:

Particulars	31 March 2023	31 March 2022
Foreign currency risk		
Interest rates – increase by 100 basis points (31 March 2022: 100 basis points)	132.28	124.12
Interest rates – decrease by 100 basis points (31 March 2022: 100 basis points)	(132.28)	(124.12)

b) 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 2023 and 31 March 2022, 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 2023	31 March 2022
Variable rate:		
Borrowing	711,848.79	711,848.79
Loans and deposits	-	-
Total variable rate exposure	711,848.79	711,848.79
Fixed rate:		
Borrowing	9,178.08	8,323.48
Loans and deposits	107.86	584.43
Total fixed rate exposure	9,070.22	7,739.05

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 2023	31 March 2022
Interest sensitivity*		
Interest rates – increase by 100 basis points (31 March 2022: 100 basis points)	7,118.49	7,118.49
Interest rates – decrease by 100 basis points (31 March 2022: 100 basis points)	(7,118.49)	(7,118.49)

*excludes the impact of continuing defaults as at reporting date, as summarised in note 17.

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Sinnar Thermal Power Limited**Significant accounting policies and notes to the financial statements for the year ended 31 March 2023**

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

38 Capital management

The Company's capital management objectives are

- (i) To ensure the Company's ability to continue as a going concern
- (ii) 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 2023	31 March 2022
Long-term borrowings	-	400,053.40
Current maturities of long-term borrowings	711,848.78	311,795.39
Short-term borrowings	9,178.08	8,323.48
Interest accrued on borrowings	880,706.20	683,387.92
Total borrowings	1,601,733.06	1,403,560.19
Less:		
Cash and cash equivalents	24.55	158.76
Bank balances other than cash and cash equivalents	107.23	584.10
Net debts	1,601,601.28	1,402,817.33
Total equity ⁽ⁱ⁾	(877,766.17)	(656,934.26)
Net debt to equity ratio	-182.46%	-213.54%

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

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

39 Details of assets pledged

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

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Inventories	941.08	941.18
Non-current		
Intangible assets	-	-
Right of use	7,975.18	8,077.42
Property, plant and equipment	6,56,225.39	6,74,884.69
Capital work-in-progress	1,00,913.39	1,00,913.39

40 Effective tax reconciliation

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss before tax	(2,20,837.07)	(2,41,926.38)
Domestic tax rate	29.12%	29.12%
Expected tax expense [A]	(64,307.75)	(70,448.96)
Difference in depreciation charged as per Income-Tax Act, 1961 vis-à-vis depreciation as per books of accounts	(298.80)	(2,555.85)
Employee benefits	0.43	(1.60)
Other items disallowed / (allowed) under Income-tax Act, 1961	0.04	(53.64)
Deferred tax assets not recognised on current year loss, unabsorbed depreciation and others	64,606.08	73,060.05
Total adjustments [B]	64,307.75	70,448.96
Actual tax expense [C=A+B]	-	-
Tax expense comprises:		
Current tax expense	-	-
Deferred tax credit	-	-
Tax expense recognized in statement of profit and loss [D]	-	-

41 Loss per equity share (EPS):

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss for the year	(2,20,837.07)	(2,41,926.38)
Opening number of shares	3,19,77,246	3,19,77,246
Weighted average number of shares used in computing basic EPS	3,19,77,246	3,19,77,246
Closing number of shares	3,19,77,246	3,19,77,246
Weighted average number of shares used in computing diluted EPS	3,19,77,246	3,19,77,246
Face value per equity share – (Rs.)	10.00	10.00
Basic earnings/ (loss) per equity share – (Rs.)	(690.61)	(756.56)
Diluted earnings/ (loss) per equity share – (Rs.)	(690.61)	(756.56)

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Sinnar Thermal Power Limited

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

42 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	930-949 Months	939.5 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 2022	Additions	Depreciation	Impairment	Carrying amount as on 31 March 2023
Land	8,077.42	-	102.24	-	7,975.18
Total	8,077.42	-	102.24	-	7,975.18

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
Total	8,179.61	-	102.19	-	8,077.42

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

Particulars	31 March 2023	31 March 2022
Current	-	-
Non-current	106.99	106.99
Total	106.99	106.99

d) The undiscounted maturity analysis of lease liabilities at 31 March 2023 is as follows:

Particulars	Less than 1 year	1-5 year	More than 5 years	Total
Lease payments	12.84	51.36	927.90	992.10
Finance charges	12.84	51.35	820.92	885.11
Net present values	-	0.01	106.98	106.99

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
Net present values	-	0.01	106.98	106.99

e) The Company had total cash outflows for leases of Rs. Nil in 31 March 2023 (Rs. Nil in 31 March 2022).

The following are the amounts recognised in profit or loss:

Particulars	31 March 2023	31 March 2022
Depreciation expense of right-of-use assets	102.24	102.19
Interest expense on lease liabilities (included in finance cost - interest on others)	12.84	12.84
Expense relating to short-term leases (included in other expenses)	8.02	16.18
Total	123.10	131.21

At 31 March 2023, 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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Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

- 43 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'.
- 44 In respect of amounts as mentioned under Section 125 of the Companies Act, 2013, there were no dues required to be credited to the Investor Education and Protection Fund as at 31 March 2023 and 31 March 2022.
- 45 a) The Company has incurred a net loss amounting to Rs.220,831.91 lakhs during the year ended 31 March 2023 and, as of that date, accumulated losses aggregate to Rs. 1,180,387.72 lakhs, which has resulted in complete erosion of the net worth of the Company and its current liabilities exceed its current assets by Rs. 1,643,210.87 lakhs. The Company is yet to commence commercial operations, pending the execution of PPA for offtake of power. The matter related to execution of PPA with MSEDCI had been 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 reapproach MERC after securing firm and unconditional commitment from Lenders for providing working capital/ bank guarantees required for executing the PPA.

In view of acute power shortage faced by the country during the recent past, the Ministry of Power had identified certain power plants, including that 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 had been directed to make plant operational and endeavour to start power generation at the earliest possible. The Company had been 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 and accordingly, the management had assessed that the Company's status as going concern for the purpose of accounting is appropriate. The Management had undertaken assessment of recoverability of the financial assets and had created provision, wherever deemed necessary.

During the current year, the Hon'ble National Company Law Tribunal, New Delhi (the 'NCLT') vide order dated 19 September 2022, admitted an application for insolvency filed by an operational creditor against the Company and initiated Corporate Insolvency Resolution Process ('CIRP') under the Insolvency and Bankruptcy Code, 2016 ('IBC'). Subsequently, the Hon'ble National Company Law Appellate Tribunal ('NCLAT') vide its order dated 26 September 2022 in response to the appeal filed against the NCLT order, has directed the Interim Resolution Professional ('the IRP') to abstain from taking any steps and has allowed the Company to participate further with the Ministry of Power in continuation of the earlier meetings/ discussions for making the plant operational.

The management based on their internal assessment and inputs from legal experts has assessed that NCLAT order dated 26 September 2022 has directed the IRP to abstain from taking any steps; thereby, staying CIRP proceedings initiated by NCLT. Thus, the Holding Company continues to control the composition of Board of the Company and the current Board of Directors of the Company continue to perform the Company's affairs and discharge day to day activities / transactions in the normal course of business as on the date of approval of these financial statements. Further, the management is confident that the PPA would soon be restored in its favour, allowing the Company to commence its business operations.

- b) The Company has defaulted in repayment of borrowings from banks and financial institution, including interest, aggregating to Rs. 1,170,031.00 lakhs upto 31 March 2023. In respect of 'Other current financial liabilities (accrued interest)' balance aggregating to Rs. 558,160.14 lakhs, direct confirmations have not been received while in case of certain lenders, the balance of Current borrowings and accrued interest confirmed is higher by Rs. 33,391.43 lakhs and Rs. 28,652.86 lakhs respectively when compared with book balance. In the absence of confirmations / statements from lenders, the Company has provided for interest (including penal interest) based on the interest rate specified in the respective agreement/ sanction letter or latest communication available from the respective lenders and interest has been computed on the balance of loans as per company's records. The Company's management believes that amount payable will not exceed the liability provided in these financial statements in respect of such borrowings.
- 46 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 Power Purchase Agreement for Phase I (as discussed in note 45 above), the management during the previous year had accounted for impairment loss against capital work in progress relating to Phase II that was recorded as exceptional item in statement of profit & loss.
- 47 The Company had entered into an agreement with Nettle Construction Private Limited (a related party) in earlier years to sell investment in SPTCL. Accordingly, based on above factors, management had decided to recognize impairment loss in relation to its investment in SPTCL amounting to Rs 5,058.61 Lakhs and had also written off loans of Rs 411 Lakhs during the previous year.

48 Reconciliation of liabilities arising from financing activities

	Long-term borrowings	Short-term borrowings	Lease liabilities	Total
As at 1 April 2021	710,163.90	7,587.02	106.99	717,857.91
Cash flows:				
Proceeds from borrowings	-	736.46	-	736.46
Non-cash:				
Impact of borrowings measured at amortised cost	1,684.89	-	-	1,684.89
As at 31 March 2022	711,848.79	8,323.48	106.99	720,279.26
Cash flows:				
Proceeds from borrowings	-	854.60	-	854.60
Non-cash:				
Impact of borrowings measured at amortised cost	-	-	-	-
As at 31 March 2023	711,848.79	9,178.08	106.99	721,133.86



- 49 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 31 March 2023	As at 31 March 2022
(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	-	-
(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.	-	-

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.

50 Ratios

Following are analytical ratios for the year ended 31 March 2023 and 31 March 2022

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	Variance
Current ratio ⁽ⁱ⁾	Current assets	Current liabilities	0.00	0.00	-47.18% ^o
Debt - equity ratio ⁽ⁱⁱ⁾	Total debt	Shareholder's equity	-0.82	-1.10	-25.07% ^o
Debt service coverage ratio ⁽ⁱⁱⁱ⁾	Earning available for debt service	Debt service	-0.01	-0.12	-92.05% ^o
Return on equity (ROI) ^(iv)	Net profits after taxes	Average shareholder's equity	28.78% ^o	45.14% ^o	-36.24% ^o
Trade receivables turnover ratio	Revenue	Average trade receivables	N/A	N/A	N/A
Trade payable turnover ratio ^(v)	Purchase of services and other expenses	Average trade payables	0.16	0.10	62.43% ^o
Net capital turnover ratio	Revenue	Working capital	0.00	0.00	N/A
Net Profit ratio	Net profit	Revenue	N/A	N/A	N/A
Return on capital employed (ROCE) ^(vi)	Earning before interest and tax	Capital employed	2.68% ^o	26.77% ^o	-90.01% ^o

(i) Current Liabilities has increased by 58%^o as compared to the previous year due to reclassification of long term borrowings to short term borrowings.

(ii) Loss incurred during the current year has resulted in the increase in negative equity by 34%^o as compared to the previous year.

(iii) Current year's loss before interest, tax and depreciation (EBITDA) has decreased by Rs. 45,269.72 lakhs as compared to the previous year.

(iv) Average shareholder's equity has decreased by 43%^o due to current year's loss as compared to the previous year.

(v) Increase in other expenses and cost of fuel, power and water consumed by 41%^o and 204%^o respectively as compared to the previous year.

(vi) Current year loss before interest and taxes has decreased by 66%^o. Also, long term borrowings are reclassified as short term borrowings in the current year which resulted in decrease in capital employed.

51 Other statutory information

(i) The Company does not have any Benami property and no proceedings have been initiated or pending against the Company and its Indian subsidiaries for holding any Benami property, under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

(v) The Company has 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 has 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 has not entered into 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).

(viii) The Company has not been declared as a 'Wilful Defaulter' by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

(ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with the Companies (Restriction on Number of Layers) Rules 2017.



Sinnar Thermal Power Limited (CIN: U70109DL2007PLC157316)

Significant accounting policies and notes to the financial statements for the year ended 31 March 2023

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

- 52 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 Company 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.
- 53 During the current year, the Company Secretary of the Company resigned and the Board of Directors' accepted his resignation effective from 01 December 2022. Consequently, the Company started its search for an appropriate person, for filing the vacancy. Subsequent to the year-end, the Company with effect from 04 May 2023 has appointed Mr Karan Maken as full time Company Secretary, post approval by the Board of Directors, in compliance of section 203 of the Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 54 The Company had executed the Fuel Supply Agreement (FSA) with South Eastern Coalfields Limited (SECL) on 3 September 2013, for coal supply to the thermal power plant and had furnished bank guarantees aggregating to Rs. 2,340.60 lakhs as security. On 22 November 2022, SECL issued a show cause notice to the Company alleging breaches of the FSA, in view of delay in formal commissioning of the thermal power plant. On 8 December 2022, the SECL issued termination notice to the Company and that the consequential forfeiture of the bank guarantees ought to be resorted to. The Honourable Delhi High Court (HC) in its order dated 9 December 2022, in response to writ petition filed by the Company against the show cause notice, pronounced that invocation of the bank guarantees shall not be given effect to by the banks till 4 January 2023, subject to any order that may be passed by NCLT (in view of the separate insolvency proceedings initiated against the Company as discussed in Note 45), in the application to be filed by the Petitioner- SECL. The NCLT vide its order dated 29 March 2023, held that the show cause notice and other action sought to be taken by SECL has not been triggered due to the proceedings before the NCLT and the moratorium order, and that the stay of operation cannot be granted qua the FSA and that it does not have jurisdiction to entertain the contractual dispute which has arisen outside the insolvency proceedings. Subsequent to the year-end, one of the bankers on 5 April 2023, in response to the notice from SECL, encashed bank guarantees aggregating to Rs. 2,125.00 Lakhs. Subsequently, the Delhi High Court vide its order dated 11 March 2023 in response to the writ petition filed by the Company, while conceded that certain bank guarantees have already been encashed but held that in the meantime, the bank guarantees which have not already been encashed shall not be encashed by SECL and further, SECL shall not take any further steps pursuant to communication dated 8 December 2022. The Company's writ petition filed before the Delhi High Court on 9 April 2023, praying for restoring of the encashed Bank Guarantees is currently pending disposal. While the management is confident of relief in the matter based on similar writ petitions wherein the Delhi High Court had taken cognizance of the reckless actions taken by Coal Supplier Companies, the Company's management has assessed and considered the impact of the above event in these financial statements, in accordance with the provisions of applicable Indian Accounting Standards and believes that no further adjustment is necessary.
- 55 The Company evaluates events and transactions that occur subsequent to the balance sheet date, there were no significant adjusting events that occurred other than those disclosed/given effect to in these standalone financial statements.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/ N500013



Deepak Mittal

Partner


Membership No. : 503843

Place: New Delhi

Date: 04 May 2023



For and on behalf of the Board of Directors



Jeevagan Narayana Swami Nadar

Director

DIN: 02393291

Place: New Delhi

Date: 04 May 2023



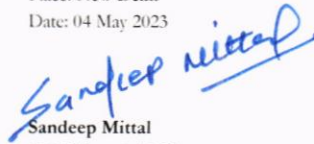
Asim Kumar De

Director

DIN: 03619507

Place: Amravati

Date: 04 May 2023



Sandeep Mittal

Chief Financial Officer

PAN:AJXPM770811

Place: New Delhi

Date: 04 May 2023



Karan Maken

Company Secretary

ACS 42081

Place: New Delhi

Date: 04 May 2023