

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Captive Power Generation Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Welspun Captive Power Generation Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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.



Welspun Captive Power Generation Limited**Independent Auditor's Report on financial statements for the year ended March 31, 2022**

Page 2 of 10

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Welspun Captive Power Generation Limited**Independent Auditor's Report on financial statements for the year ended March 31, 2022**

Page 3 of 10

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) According to the information and explanation given by the management, no managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors and hence provisions of section 197 read with Schedule V to the Act, are not applicable to the Company;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company has long term contracts as at March 31, 2022 for which there is no material foreseeable losses. The company does not have any long-term derivative contracts as at March 31, 2022.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



Welspun Captive Power Generation Limited**Independent Auditor's Report on financial statements for the year ended March 31, 2022**

Page 4 of 10

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
PartnerMembership Number: 110759
UDIN: 22110759AILSUM6540

Place of Signature: Mumbai

Date: May 5, 2022

Welspun Captive Power Generation Limited

Independent Auditor's Report on financial statements for the year ended March 31, 2022

Page 5 of 10

Annexure 1 referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

Re: Welspun Captive Power Generation Limited ("the Company")

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 state that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 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 the procedure of such verification by the management is appropriate & no material discrepancy were noticed on such physical verification.
- (b) As disclosed in note 34 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.



Welspun Captive Power Generation Limited**Independent Auditor's Report on financial statements for the year ended March 31, 2022**

Page 6 of 10

- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the electricity generation, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, duty of customs, cess and other statutory dues applicable to it. The provisions of employees' state insurance, sales-tax, service tax, duty of excise, value added tax, are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues which have not been deposited on account of any dispute, except, as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax Demand	6.22	AY 2016-17	Commissioner of Income Tax-(Appeals)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowing to or in the payment of interest thereon to any lender.



Welspun Captive Power Generation Limited**Independent Auditor's Report on financial statements for the year ended March 31, 2022**

Page 7 of 10

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.



Welspun Captive Power Generation Limited**Independent Auditor's Report on financial statements for the year ended March 31, 2022**

Page 8 of 10

- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 35 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 20(b) to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 20(b) to the financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra
PartnerMembership Number: 110759
UDIN: 22110759AILSUM6540

Place of Signature: Mumbai

Date: May 5, 2022

Welspun Captive Power Generation Limited

Independent Auditor's Report on financial statements for the year ended March 31, 2022

Page 9 of 10

Annexure 2 to the independent auditor's report of even date on the financial statements of Welspun Captive Power Generation Limited

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

We have audited the internal financial controls with reference to financial statements of Welspun Captive Power Generation Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide



Welspun Captive Power Generation Limited

Independent Auditor's Report on financial statements for the year ended March 31, 2022

Page 10 of 10

reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anil Jobanputra
Partner

Membership Number: 110759
UDIN: 22110759AILSUM6540



Place of Signature: Mumbai

Date: May 5, 2022

WELSPUN CAPTIVE POWER GENERATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2022

	Notes	As At March 31, 2022 Rs. Million	As At March 31, 2021 Rs. Million
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,679.63	1,847.66
Capital work-in-progress	3	2.16	-
Intangible assets	4	0.02	0.03
Right of Use Assets (ROU)	28	257.89	9.80
Financial assets	5 (a)	31.62	24.05
Deferred Tax Assets (Net)	6	730.14	640.40
Other non-current assets	7	36.39	36.39
Total non-current assets		2,737.85	2,558.33
Current assets			
Inventories	8	414.67	106.17
Financial assets			
(i) Investments	5 (b)	660.77	521.79
(ii) Trade Receivables	5 (c)	788.26	676.17
(iii) Cash and Cash Equivalents	5 (d)	158.63	70.84
(iv) Bank balances other than (ii) above	5 (e)	11.19	51.93
(v) Other financial assets	5 (a)	91.32	75.70
Current tax assets	9	28.36	8.92
Other current assets	10	100.50	91.53
Total current assets		2,253.70	1,603.05
Total assets		4,991.55	4,161.38
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11 (a)	295.38	295.38
Other equity			
Reserves and surplus	11 (b)	3,798.97	3,623.05
Total equity		4,094.35	3,918.43
Liabilities			
Non-current liabilities			
Financial Liabilities			
- Lease Liabilities	28	452.47	9.59
- Other financial liabilities	12 (b)	0.05	0.05
Employee benefit obligations	13	-	1.71
Total non-current liabilities		452.52	11.35
Current liabilities			
Financial Liabilities			
(i) Borrowings	12 (a)	150.22	-
(ii) Lease Liabilities	28	7.85	0.66
(iii) Trade payables	12 (c)		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		4.48	1.29
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		247.05	194.77
(iv) Other financial liabilities	12 (b)	9.27	9.27
Employee benefit obligations	13	3.13	1.38
Liabilities for current tax (net)	14 (a)	3.82	5.35
Other current liabilities	14 (b)	18.86	18.89
Total current liabilities		444.68	231.61
Total liabilities		897.20	242.96
Total equity and liabilities		4,991.55	4,161.38
Summary of Significant accounting policies			
The accompanying notes are integral part of these financial statements			

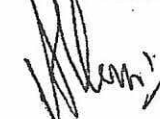
For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003




per Anil Jobanputra
Partner
Membership No. 110759



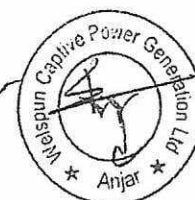
For and on behalf of the Board of Directors


Ashok Kumar Joshi
Whole Time Director
DIN: 08607214


Devendra Patil
Director
DIN: 00062784


Praveen Bhansali
Chief Financial Officer


Shashikant Thorat
Company Secretary



Place: Mumbai
Date: May 5, 2022

Place: Mumbai
Date: May 5, 2022

WELSPUN CAPTIVE POWER GENERATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

	Notes	Year ended March 31, 2022 Rs. Million	Year ended March 31, 2021 Rs. Million
Revenue from operations	15	4,372.11	4,104.08
Other Income	16	40.08	19.37
Total revenue		4,412.19	4,123.45
Expenses			
Cost of materials consumed	17	3,115.50	1,991.19
Purchases of stock-in-trade		106.01	28.35
Employee benefits expense	18	18.79	64.70
Depreciation and amortization expense	19	511.68	362.96
Other expenses	20	520.98	657.24
Finance costs	21	33.66	729.37
Total expenses		4,306.62	3,833.81
Profit/(loss) before tax		105.57	289.64
Income Tax Expense	22		
- Current Tax		18.86	177.45
- Deferred Tax		(89.55)	(287.99)
Total Income Tax Expense		(70.69)	(110.54)
Profit/ (loss) for the year		176.26	400.18
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	18	(0.52)	1.39
Income tax relating to this item	22	0.18	(0.49)
Other Comprehensive Income for the year, net of tax		(0.34)	0.90
Total Comprehensive Income for the year		175.92	401.08
Earnings Per Share (Rs.) [Nominal value per share : Rs. 10 (March 31, 2020 : Rs. 10)]	33		
Basic earning per share		5.97	13.55
Diluted earning per share		5.97	13.55
Summary of Significant accounting policies	2		
The accompanying notes are integral part of these financial statements			

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per Anil Jobanputra
Partner
Membership No. 110759



Place: Mumbai
Date: May 5, 2022

For and on behalf of the Board of Directors

Ashok Kumar Joshi
Whole Time Director
DIN: 08607214

Devendra Patil
Director
DIN: 00062784



Praveen Bhansali
Chief Financial Officer

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 5, 2022

WELSPUN CAPTIVE POWER GENERATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2022

	For the Year Ended March 31, 2022 Rs. Million	For the Year Ended March 31, 2021 Rs. Million
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	105.57	289.64
Adjustments for:		
Depreciation and Amortisation Expenses		
Changes in fair value of financial assets at fair value through profit or loss	511.68	392.96
Dividend and interest income classified as investing cash flows	3.94	(4.07)
Write off / Provision for insurance claim receivable	(39.00)	(11.02)
Employee share based payment expense	-	138.79
Finance expenses	2.47	-
	33.66	720.37
	512.66	1,213.43
Operating Profit Before Working Capital Changes	618.23	1,503.07
Change in operating assets and liabilities:		
(Increase)/Decrease in trade receivables	(112.00)	85.89
Increase/(decrease) in trade and other payables and provisions	53.00	(105.52)
(Increase)/decrease in inventories	(308.50)	262.09
(Increase)/decrease in other current assets	31.77	(50.97)
(Increase) in other non current financial assets	(7.57)	(16.26)
Increase/(decrease) in employee benefit obligation	(0.47)	(3.84)
(Increase)/Decrease in other financial assets	(1.56)	(2.31)
Increase/(decrease) Other current financial liabilities	(0.01)	(2.00)
Increase/(decrease) in other current liabilities	(0.02)	9.18
	(345.45)	175.77
Cash Generated from Operations	272.78	1,678.84
Income Tax paid	(39.84)	(172.20)
Net Cash Inflow from Operating Activities	232.94	1,506.64
B. CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment, Capital Work-in-Progress and Capital Advances	(133.73)	(80.68)
Proceeds from sale of Property, Plant and Equipment	-	0.86
Payments for purchase of investments	(142.92)	(472.45)
Interest Received	25.03	4.77
Net Cash Inflow used in Investing Activities	(251.62)	(553.50)
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds/(Repayments) from Long-term Borrowings	-	(984.62)
Proceeds/(Repayments) from Short-term Borrowings	150.22	-
Payment of Lease liabilities	(41.50)	(0.61)
Finance cost paid	(2.25)	(6.54)
Net Cash Flow (used in)/ from Financing Activities	106.47	(691.77)
Net (decrease) / Increase in Cash and Cash Equivalents (A + B + C)	87.79	(38.72)
Cash and Cash Equivalents at the beginning of the year	70.84	109.56
Cash and Cash Equivalents at the end of the year	158.63	70.84
Net Increase in Cash and Cash Equivalents	87.79	(38.72)
Cash and cash equivalents comprise of:		
Cash on Hand		
Bank balances		
- In current accounts	109.20	41.63
Fixed deposits with banks with original maturity period of less than three months	49.34	29.21
	158.63	70.84
Changes in liabilities arising from financing activities		

Particulars	01-Apr-21	Cash flow	31-Mar-22
Borrowings - Current [Note 12 (a)]	-	150.22	150.22

Notes:

Cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flow.

The above statement of cash flows should be read in conjunction with the accompanying notes

As per our report of even date

For SRBC & COLL
Chartered Accountants
ICAI Firm registration number 3249E2E/E300003

per Anil Jobanputra
Partner
Membership No 110759

Place Mumbai
Date May 5 2022



Ashok Kumar Joshi
Whole Time Director
DIN 09507214

Pravoon Bhansali
Chief Financial Officer

Place Mumbai
Date May 5 2022

Devendra Patil
Director
DIN 00062784

Shashikant Thorat
Company Secretary



WELSPUN CAPTIVE POWER GENERATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON MARCH 31, 2022

a. Equity Share Capital

Particulars	Notes	Amount Rs. Million
Balance as at March 31, 2020	11 (a)	295.38
Changes in equity share capital during the year		-
Balance as at March 31, 2021	11 (a)	295.38
Changes in equity share capital during the year		-
Balance as at March 31, 2022	11 (a)	295.38

b. Other Equity

	Notes	Equity component of compound financial instruments	Reserves and Surplus			Total Equity
			Debt Redemption Reserve	Retained earnings	Total	
Balance as at March 31, 2020		717.36	-	2,504.61	2,504.61	3,221.97
Profit for the year	11 (b)	-	-	400.18	400.18	400.18
Other Comprehensive Income		-	-	0.90	0.90	0.90
Total Comprehensive Income for the year		717.36	-	2,905.69	2,905.69	3,623.05
Transfer to General Reserve	11 (b)	(717.36)	-	717.36	717.36	-
Transfer to Capital Redemption Reserve	11 (b)	-	984.62	(984.62)	-	-
Balance as at March 31, 2021		-	984.62	2,638.43	3,623.05	3,623.05

	Notes	Equity component of compound financial instruments	Reserves and Surplus			Total Equity
			Capital Redemption Reserve	Retained earnings	Total	
Balance as at March 31, 2021		-	984.62	2,638.43	3,623.05	3,623.05
Profit for the year	11 (b)	-	-	176.26	176.26	176.26
Other Comprehensive Income		-	-	(0.34)	(0.34)	(0.34)
Total Comprehensive Income for the year		-	984.62	2,814.35	3,798.97	3,798.97
Transfer to General Reserve	11 (b)	-	-	-	-	-
Balance as at March 31, 2022		-	984.62	2,814.35	3,798.97	3,798.97

The accompanying notes are integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Anil Jobanputra
Partner
Membership No. 110759



For and on behalf of the Board of Directors

Ashok Kumar Joshi
Whole Time Director
DIN: 08607214

Devendra Patil
Director
DIN: 00062784

Praveen Bhansali
Chief Financial Officer

Shashikant Thorat
Company Secretary



Place: Mumbai
Date: May 5, 2022

Place: Mumbai
Date: May 5, 2022

1. Corporate Information

Welspun Captive Power Generation Limited (hereinafter referred as "the Company") is a public limited company incorporated and domiciled in India. The address of its registered office is "Welspun City", Village Versamedi, Tal. Anjar, Dist Kutch, Gujarat - 370110, India. The Company is engaged in the business of generation and sale of power and steam mainly to its group companies. The Company has 80-megawatt power plant, 43-megawatt power plant and 6-megawatt three DG Sets for power generation facility at Anjar, Gujarat.

The financial statements were approved for issue by the board of directors on May 5, 2022.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended from time to time). The financial statements have been prepared on an accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities that are measured at fair value as stated in subsequent policies.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

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

- The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



b) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

c) Revenue from Contract with customer

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of power and steam

Revenue from supply of power and steam is recognized for each unit of electricity/steam delivered at the pre-determined contracted price during the period.

Job work of power

Revenue from job work of power is recognized for each unit of electricity delivered at the pre-determined contracted price during the period.

Sale of Goods

Revenue from sale of goods is recognized at a point in time when control of the goods is transferred to the customer, generally on delivery of goods.

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

Contract Balances

Contract assets

A contract asset is initially recognised for revenue earned from supply of power and steam because the receipt of consideration is conditional on successful delivery of the power and steam. Upon delivery of the power and steam and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section k) Financial instruments – initial recognition and subsequent measurement.



Trade Receivables

A receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (k) Financial instruments – Measurement.

Contract Liabilities

A contract liability is recognised if a payment is received or the payment is due (whichever is earlier) from a customer before the Company transfers the related goods or service. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers controls of the related goods or services to the customer).

d) Other Income**Profit on Sale of investments**

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the Investment.

Interest Income

Interest income from the financial assets are recognized using effective interest rate method. Interest income from the financial assets are recognized using effective interest rate method when it is probable that the economic benefits associated with the interest will flow to the Company, and amount of the interest can be measured reliably.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

e) Income Tax

The income tax expense or credit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the 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 assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).



Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the Deferred income tax assets and liabilities relate to income tax levied by the same taxation authority 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..

Minimum Alternate Tax ('MAT') credit entitlement is recognized as a deferred tax asset if it is probable that MAT credit can be used in future years to reduce the regular tax liability. No deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate.

f) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets i.e. at 12 to 15 years.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section i) Impairment of assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

g) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost comprises of purchase price (including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The company has elected to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Estimated Useful Life (80MW, 43MW and Others)
Office Equipment	5 to 10 years
Furniture and fixtures	8 to 10 years
Computer	3 years except Networking equipment's which are depreciated over useful life of 4 years
Vehicles	8 to 10 years
Factory Building	12 to 28.5 years
Office Building	30 years
Road, Fencing, etc	Ranging between 3 to 5 years

Plant and Machinery is depreciated on written down value method over the useful life ranging between 8 years to 20 years (for 80MW, 43MW and others) based on a technical evaluation which is lower than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.



Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Major inspection/overhauling including turnaround and maintenance costs are depreciated over the estimated life of the economic benefit derived from the inspection/overhaul. The carrying amount of the remaining previous overhaul cost is charged to the statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit. All other repair and maintenance costs are recognised in the statement of Profit and Loss as incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expense.

h) Intangible assets

Computer Software

Computer Software with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation methods and periods

Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years.

i) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Inventories

Raw materials and stores and spares are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases and related expenses incurred in bringing inventory to its present location and condition. Cost is determined using the weighted average method. Net realizable value is the estimate of the selling price in the ordinary course of the business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory supplied by the Customer for the purpose of Job work are not included in the inventories. The underlying records for material received for Job work are maintained by the Company.

k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

a. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

• Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

• Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ expenses as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

• Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/ expenses as applicable in the period in which it arises. Interest income from these financial assets is included in other income.

b. Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, and there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.



Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 23 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

a. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

b. Dividends

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vi) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within borrowings in current liabilities in statement of financial position and which are considered as integral part of the Company's cash management policy.



(vii) Trade receivable

Trade receivable are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Financial liabilities

(i) Measurement:

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss. Liabilities from finance lease agreements are measured at the lower of fair value of the leased asset or present value of minimum lease payments.

(ii) Derecognition:

A financial liability is derecognised 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 or loss.

(iii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.



(iv) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

Compound instrument

Compound financial instrument issued by the Company comprises of compulsorily redeemable non-convertible preference shares. Compound financial instruments are split into separate equity and liability components. The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have discretionary dividend feature/ off market interest rate. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently re-measured. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Interest related to the liability component of compound instrument is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortization, where appropriate.

Derivatives and hedging activities

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

(i) Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss

(ii) Embedded Derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 "Financial Instruments" are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives:

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is



not leveraged, does not contain any option feature and requires payments in one of the following currencies:

the functional currency of any substantial party to that contract, the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world, currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

l) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

Other borrowing costs, including excess of face value over carrying value of compound financial instruments, are expensed in the statement of profit and loss in the period during which they are incurred.

m) Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



c) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and superannuation Fund

Defined Benefit Plans

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Remeasurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

Provident Fund

The Contribution towards provident fund for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

Superannuation Fund

Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Company where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

d) Bonus Plan

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

n) Provisions and contingent liabilities

- **Provisions** are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.



Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

- **Contingent liabilities** are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.
- **Contingent Assets** are disclosed, where an inflow of economic benefits is probable.
- o) **Contributed Capital**
Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p) **Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

q) **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year (note 33).

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

2.3 Significant accounting judgements, estimates and assumption:

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

i) Current tax expense and deferred tax

The company has claimed deduction under section 80IA of the Income Tax Act, 1961 which involves significant estimates and judgements in respect of sales price of power and steam, purchase of goods and services from vendors. Further calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 22)

Recognition of deferred tax assets

The recognition of deferred tax assets in respect of mat credit entitlement is expected to be utilized after the tax holiday period of ten years. There is significant management judgement involved in determination of forecast of future taxable profits beyond the ten years tax holiday (which also involves key assumptions like future growth rate, profit margins etc.) against which the the aforesaid MAT credit entitlement is expected to be utilised. Any changes to these assumptions could significantly affect the recoverability of deferred tax asset on account of MAT credit entitlement (Refer Note 6).

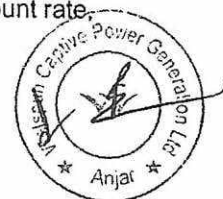
ii) Useful life of Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Company's property, plant and equipment and intangible assets refer Notes 3 and 4.

iii) Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate,



the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer Note 18 for the details of the assumptions used in estimating the defined benefit obligation.

iv) Fair value of Financial Instruments.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Key judgement includes the valuation methodology used and key estimates include the discount rate etc. Changes to the valuation methodology, discount rates etc. could have a significant impact on the valuation of these financial instruments (Refer Note 23).

v) Estimation uncertainty on account of Covid-19 outbreak

The Company has adopted measures to curb the spread of infection of COVID 19 in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of workspaces etc. The Company's operations, revenue and consequently profit during the year ended March 31, 2022 were impacted due to Covid-19. The Company has considered the possible effects that may result from outbreak of COVID-19 in the preparation of this financial results including the recoverability of carrying amounts of financial and non-financial assets and liquidity assessment based on future cash flow projections. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of these financial statements, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

Note 3 : Property, Plant and Equipment

	Land	Building	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Total	Capital Work in Progress
Year ended 31 March 2021									
Gross carrying amount	-	734.01	3,044.54	0.05	1.56	6.69	4.90	3,791.75	9.47
Opening gross carrying amount	51.30	-	10.57	0.21	-	0.72	0.18	62.98	-
Additions	-	-	1.21	-	-	0.02	-	1.23	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	9.47
Closing gross carrying amount	51.30	734.01	3,053.90	0.26	1.56	7.39	5.08	3,853.50	-
Accumulated depreciation and impairment									
Opening accumulated depreciation	-	136.65	1,499.26	0.03	0.76	4.06	3.42	1,644.18	-
Depreciation charge during the year	-	31.14	328.80	0.02	0.17	0.72	1.18	362.03	-
Disposals	-	-	0.36	-	-	0.01	-	0.37	-
Closing accumulated depreciation and impairment	-	167.79	1,827.70	0.05	0.93	4.77	4.60	2,005.84	-
Net Carrying amount	51.30	566.22	1,226.19	0.21	0.63	2.62	0.48	1,847.66	-
Year ended March 31, 2022									
Gross carrying amount									
Opening gross carrying amount	51.30	734.01	3,053.90	0.26	1.56	7.39	5.08	3,853.50	-
Additions	-	-	124.80	-	-	0.67	6.10	131.57	2.16
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	51.30	734.01	3,178.70	0.26	1.56	8.06	11.18	3,985.07	2.16
Accumulated depreciation and impairment									
Opening accumulated depreciation	-	167.79	1,827.70	0.05	0.93	4.77	4.60	2,005.84	-
Depreciation charge during the year	-	29.84	268.83	0.03	0.16	0.44	0.30	299.60	-
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment	-	197.63	2,096.53	0.08	1.09	5.21	4.90	2,305.44	-
Net carrying amount	51.30	536.38	1,082.17	0.18	0.47	2.85	6.28	1,679.63	2.16

* Amount of disposal of office equipment is Rs. 4800 and depreciation corresponding to it is Rs. 2785

(i) Property, plant and equipment pledged as security
Refer to Note 12 for information on property, plant and equipment pledged as security by the Company.

(ii) All title deeds of immovable property are held in the name of the Company.



WELSPUN CAPTIVE POWER GENERATION LIMITED

Details of Capital Work-in-progress (CWIP)

As at 31 March 2022

Rs. Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.16	-	-	-	2.16
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021

Rs. Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: There are no overdues or any projects which have exceeded cost compared to its original budget.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 4 : Intangible Assets

Rs. Million

	Computer Software
Year ended 31 March 2021	
Gross carrying amount	
Opening gross carrying amount	0.48
Additions	-
Closing gross carrying amount	0.48
Accumulated depreciation and impairment	
Opening accumulated depreciation	0.45
Amortisation during the year	-
Closing accumulated depreciation	0.45
Net Carrying amount	0.03
Year ended 31 March 2022	
Gross carrying amount	
Opening gross carrying amount	0.48
Additions	-
Closing gross carrying amount	0.48
Accumulated depreciation and impairment	
Opening accumulated depreciation	0.45
Amortisation during the year	0.01
Closing accumulated depreciation and impairment	0.46
Net carrying amount	0.02



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As At March 31, 2022 Rs. Million	As At March 31, 2021 Rs. Million
Note 5 : Financial assets		
5 (a) : Other non-current financial assets		
Electricity Duty Refundable	31.62	24.05
Total	31.62	24.05
5 (a) : Other current financial assets		
Interest Accrued on Bonds	22.32	8.26
Insurance Claim Receivable (Refer note 36)	55.82	55.82
Other receivables	13.18	11.62
Total	91.32	75.70
5 (b) : Current investments		
Quoted:		
Investment in bonds measured at FVPL		
28 (Previous year 28 nos) 9.10% Reliance General Insurance	13.27	13.27
296 (Previous year Nil) 6.65% FCI Bonds (Series IX)	290.38	-
150 (Previous year Nil) 5.23% NABARD Bonds	147.76	-
50 (Previous year Nil) 7.10% NABARD Bonds	50.72	-
9 (Previous year Nil) 6.92% NABARD Bonds	8.81	-
14 (Previous year Nil) 7.72% SBI Bonds	140.42	-
Nil (Previous year 49) 6.29% NTPC Bonds (Series 71)	-	49.02
Nil (Previous year 194) 6.45% REC Bonds (Series XII)	-	193.03
Nil (Previous year 239000) 7.00% PFC Bonds (Series IV)	-	240.64
Nil (Previous year 10) 7.18% UBI Bonds (Series XXVI)	-	10.00
Investment in mutual funds measured at FVPL		
8187 (Previous year Nil) ABSL Overnight Fund Growth - Direct	9.41	-
Nil (Previous year 47750) ABSL Liquid Fund Growth - Direct	-	15.83
Total	660.77	521.79
Aggregate amount of quoted investments	660.77	521.79
Market Value of quoted investments	660.77	521.79
Aggregate amount of impairment in the value of Investments	-	-



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As At March 31, 2022 Rs. Million	As At March 31, 2021 Rs. Million
5 (c) : Trade receivables		
Unsecured (Considered Good)		
Trade Receivables	0.01	0.23
Receivables from related parties (Refer Note 27)	788.25	675.94
Total	788.26	676.17

As at 31 March 2022

Particulars	Current but not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	533.30	254.96	-	-	-	-	788.26
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	533.30	254.96	-	-	-	-	788.26

As at 31 March 2021

Particulars	Current but not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	540.14	136.03	-	-	-	-	676.17
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	540.14	136.03	-	-	-	-	676.17

5 (d) : Cash and cash equivalents

Balances with banks		
- In current accounts	109.29	41.63
Fixed deposits with Banks with maturity period of less than three months	49.34	29.21
Cash on Hand	-	-
Total	158.63	70.84

* Fixed deposits Rs. 9.34 million (March 31, 2021 - Rs. Nil) were held as lien by banks against letter of credit facility and bank guarantee facilities.

5 (e) : Bank balances other than cash and cash equivalents

Other Bank balances		
- Fixed deposits with maturity more than 3 months but less than 12 months *	11.19	51.93
Total	11.19	51.93

* Fixed deposits Rs. 11.19 million (March 31, 2021 - Rs. 51.93 million) were held as lien by banks against letter of credit facility and bank guarantee facilities



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As At March 31, 2022 Rs. Million	As At March 31, 2021 Rs. Million
Note 6 : Deferred Tax Assets (Net)		
Minimum Alternative Tax Credit Entitlement (Refer note below)	763.37	759.26
Deferred Tax Asset arising on account of Timing differences in:		
- Expenses inadmissible under Section 40(a) of the Income Tax Act, 1961	6.21	6.58
- On lease	70.74	-
- Provision for Employee Benefits	1.07	0.78
Deferred Tax Liabilities arising on account of Timing differences in:		
- Property, plant and equipment	(111.25)	(126.22)
Total	730.14	640.40

Note: The Company has recognised deferred tax asset in respect of Minimum Alternate Tax (MAT) Credit which is expected to be utilised after the tax holiday period of ten years. The management based on the projections prepared for a period of fifteen years expects to fully utilise the MAT credit entitlement.

Movement in deferred tax assets

Particulars	Minimum Alternative Tax Credit Entitlement	Property, plant and equipment	Defined Benefit Obligation	Lease	Expenses inadmissible u/s 40a(ia)	Classificatio n of preference share Liability in equity and liability at inception	Others	Total
April 1, 2020	587.52	(139.12)	2.61	-	3.33	(101.47)	0.03	352.90
(Charged) / Credited :								
to Profit & Loss	171.74	12.90	(1.83)	-	3.25	101.47	0.46	287.99
to Other Comprehensive Income	-	-	-	-	-	-	(0.49)	(0.49)
March 31, 2021	759.26	(126.22)	0.78	-	6.58	-	-	640.40
(Charged) / Credited :								
to Profit & Loss	4.11	14.97	0.11	70.74	(0.37)	-	-	89.56
to Other Comprehensive Income	-	-	0.18	-	-	-	-	0.18
March 31, 2022	763.37	(111.25)	1.07	70.74	6.21	-	-	730.14



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As At March 31, 2022 Rs. Million	As At March 31, 2021 Rs. Million
Note 7 : Other non-current assets		
Capital Advances to related party (refer note 27)	33.17	33.17
Balances with Customs and other Government Authorities	2.72	2.72
Security Deposit Others	0.50	0.50
Total	36.39	36.39
Note 8 : Inventories		
Raw Materials (Includes in transit Rs. 142.88 million ; March 31, 2021 ; Rs. Nil)	280.46	23.41
Stores and Spares	134.21	82.76
Total	414.67	106.17
Note 9 : Current tax assets		
Current tax assets	28.36	8.92
	28.36	8.92
Note 10 : Other current assets		
Balance with Government Authorities (GST)		
- Considered Good	34.38	21.47
- Considered Doubtful	-	-
Advances to suppliers	35.82	40.58
Advance to Employees	0.12	0.64
Prepaid Expenses	30.18	28.84
Total	100.50	91.53



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 11 (a) : Equity share capital

Authorised Share Capital	Equity Shares of Rs. 10 each	
	Number of Shares	Amount Rs. Million
As at April 1, 2020	3,00,00,000	300.00
Increase during the year	-	-
As at March 31, 2021	3,00,00,000	300.00
Increase during the year	-	-
As at March 31, 2022	3,00,00,000	300.00

(i) Movements in Equity Share Capital	Equity Shares of Rs.10 each fully paid up	
	Number of shares	Amount Rs. Million
As at April 1, 2020	2,95,37,988	295.38
Additions during the year	-	-
As at March 31, 2021	2,95,37,988	295.38
Additions during the year	-	-
As at March 31, 2022	2,95,37,988	295.38

Terms and rights attached to equity shares

Equity shares have a par value of Rs. 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Shares held by holding company (Holding company as defined in Ind AS-24 : "Related Party Disclosure")

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount Rs. Million	Number of Shares	Amount Rs. Million
Equity Shares :				
Welspun India Limited	2,27,44,213	227.44	2,27,44,213	227.44
	2,27,44,213	227.44	2,27,44,213	227.44

(iii) Shares held by promoters (Promotor as defined in the Companies Act, 2013)

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Welspun India Limited	2,27,44,213	-	2,27,44,213	77.00%	-
Welspun Corp Limited	58,33,499	8,72,193	67,05,692	22.70%	3%
Welspun Steel Limited	8,72,193	(8,72,193)	-	0.00%	-3%
Welspun Metalics Limited	59,075	-	59,075	0.20%	-
Welspun Wasco Coatings Private Limited	29,004	-	29,004	0.10%	-
Devendra Patil *	1	-	1	0.00%	-
Pradeep Joshi #	1	-	1	0.00%	-
Shashikant Thorat #	1	-	1	0.00%	-
Nidhi Thakkar *	1	-	1	0.00%	-

(* Nominee of Welspun India Limited, # Nominee of Welspun Corp Limited)

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

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun India Limited	2,27,44,215	77.00	2,27,44,215	77.00
Welspun Corp Limited	67,05,694	22.70	58,33,501	19.75



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As At March 31, 2022 Rs. Million	As At March 31, 2021 Rs. Million
Note 11 (b) : Reserves and surplus		
Capital Redemption Reserve	984.62	984.62
Retained earnings	2,814.35	2,638.43
Total	3,798.97	3,623.05
(i) Capital Redemption Reserve		
Opening Balance	984.62	-
Additions during the year	-	984.62
Closing Balance	984.62	984.62
(ii) Retained earnings		
Opening Balance	2,638.43	2,504.61
Net profit for the year	176.26	400.18
	2,814.69	2,904.79
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	(0.34)	0.90
Equity Component of Preference Shares	-	717.36
Transfer to capital redemption reserve	-	(984.62)
Closing Balance	2,814.35	2,638.43

Nature and purpose of reserves within equity

(i) Capital redemption reserve

Capital Redemption Reserve is created 1) when preference shares are redeemed out of profits of the Company, a sum equal to the nominal amount of the shares to be redeemed has to be transferred to this reserve and 2) when Company purchases its own shares out of free reserves, a sum equal to the nominal value of shares so purchased has to be transferred to this reserve. This reserve may be used for issuing fully paid up bonus shares to the members. (Refer note 12(a) for CRR created during the year)

(ii) Retained earnings

Retained earnings represents the Company's cumulative earnings.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As At March 31, 2022 Rs. Million	As At March 31, 2021 Rs. Million
Note 12 : Financial Liabilities		
Note 12 (a) : Current borrowings		
Secured :		
- Buyer's credit (Refer Note below)	150.22	-
Current borrowings	150.22	-
Note :		
Buyer's credit from banks are secured by hypothecation of all current assets of the Company and second charge on moveable and immoveable fixed assets of the Company. All the borrowings are utilised for the purpose for which they are obtained. Quarterly returns or statements of current assets filed by the Company with bank are in agreement with the books of accounts		
Note 12 (b) : Other financial liabilities		
Non-current		
Security Deposits	0.05	0.05
Total other non-current financial liabilities	0.05	0.05
Current		
Other payables	9.27	9.27
Total other current financial liabilities	9.27	9.27
Note 12 (c) : Trade payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 32)	4.48	1.29
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
- Trade payables to related parties (Refer Note 27)	20.44	0.72
- Others	226.61	194.05
Total	251.53	196.06

As at 31 March 2022

Particulars	Current but not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	4.35	0.13	-	-	-	4.48
Others	219.72	26.59	0.41	0.05	0.28	247.05
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	224.07	26.72	0.41	0.05	0.28	251.53

As at 31 March 2021

Particulars	Current but not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1.02	0.27	-	-	-	1.29
Others	149.09	45.10	0.18	0.33	0.07	194.77
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	150.11	45.37	0.18	0.33	0.07	196.06



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As At March 31, 2022 Rs. Million	As At March 31, 2021 Rs. Million
Note 13 : Employee benefit obligations		
Non-current		
Gratuity (Refer note 18)	-	0.44
Leave Obligation (Refer note 18)	-	1.27
Total non-current employee benefit obligations	-	1.71
Current		
Leave Obligation (Refer note 18)	1.41	0.11
Gratuity (Refer note 18)	1.64	0.41
Other Payables *	0.08	0.86
Total current employee benefit obligations	3.13	1.38

* Includes salary, wages, bonus and leave travel allowance.

Note 14 (a) : Liabilities for current tax

Liabilities for Current tax	3.82	5.35
Total	3.82	5.35

Note 14 : Other current liabilities

Statutory dues (including Provident Fund and Tax deducted at Source)	17.77	18.83
Advance from customers	1.09	0.06
Total	18.86	18.89



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	Year ended March 31, 2022 Rs. Million	Year ended March 31, 2021 Rs. Million
Note 15 : Revenue from operations		
Revenue from contracts with customers.		
a) Disaggregated revenue information of the company from contracts with customers		
Sale of manufactured Products		
Sale of Power	3,038.49	2,888.75
Sale of Steam	979.21	921.92
	<u>4,017.70</u>	<u>3,810.67</u>
Other operating revenue		
Power Job Work Income	237.92	262.36
Sale of Coal	112.82	29.25
Sale of Fly Ash	0.10	0.05
Sale of Scrap	3.57	1.75
	<u>354.41</u>	<u>293.41</u>
Total revenue from contract with customers	<u><u>4,372.11</u></u>	<u><u>4,104.08</u></u>
b) Timing of revenue recognition		
Goods transferred at a point in time	4,134.19	3,841.72
Goods transferred over time	237.92	262.36
Total revenue from contract with customers	<u><u>4,372.11</u></u>	<u><u>4,104.08</u></u>
c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price.		
Revenue as per contracted price	4,372.11	4,104.08
Adjustments	-	-
Total revenue from contract with customers	<u><u>4,372.11</u></u>	<u><u>4,104.08</u></u>
Contract balances		
The following table provides information about receivables , contract assets and contract liabilities from contracts with customers		
Trade Receivables * (Refer note 5 (c))	788.26	676.17
Contract Assets - Other Receivables	13.18	11.62
Contract liabilities - Advances from customers	1.09	0.06
* Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.		
Note 16 : Other income		
Interest Income from financial assets measured at amortised cost		
-on fixed deposits	2.10	2.82
Interest Income from financial assets measured at fair value through profit or loss		
-on bonds	36.99	8.80
Net gain on financial assets measured at fair value through profit or loss		
-on bonds and mutual funds	0.99	4.07
Exchange Gain (Net)	-	3.18
Miscellaneous income	-	0.50
Total other income	<u><u>40.08</u></u>	<u><u>19.37</u></u>
Note 17 : Cost of materials consumed		
Raw materials at the beginning of the year	23.41	284.11
Add: Purchases (net)	3,372.55	1,730.49
Less: Raw materials at the end of the year	280.46	23.41
Total cost of materials consumed	<u><u>3,115.50</u></u>	<u><u>1,991.19</u></u>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	Year ended March 31, 2022 Rs. Million	Year ended March 31, 2021 Rs. Million
Note 18 : Employee benefits expense		
Salaries, Wages, Allowances and Other Benefits	14.46	58.86
Contribution to Provident and Other Funds	1.03	3.84
Gratuity & Leave compensation	0.35	0.66
Employee share-based payment expense	2.47	-
Staff and Labour Welfare	0.48	1.34
Total	18.79	64.70

The Company has classified the various benefits provided to employees as under :-

I Defined Contribution Plans

	Year ended March 31, 2022	(Rs. Million) Year ended March 31, 2021
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:		
- Employers' Contribution to Provident Fund*	0.45	1.77
- Employers' Contribution to Employees' Pension Scheme*	0.21	1.37
- Employers' Contribution to Superannuation Scheme*	0.34	0.69
- Others	0.03	0.01
	1.03	3.84

* Included in Contribution to Provident and Other Funds

II Defined Benefit Plan

Contribution to Gratuity Fund (Funded Defined Benefit Plan)

The company operates a gratuity plan managed by Kotak Life Insurance Limited. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the company or retirement, whichever is earlier.

Risk exposure

These defined benefit plans expose the Company to actuarial risk such as longevity risks, interest rate risks, market (investment) risks.

a. Major Assumptions

	As at March 31, 2022 % p.a.	As at March 31, 2021 % p.a.
Discount Rate	7.23	6.85
Salary Escalation Rate @	6.00% p.a. for the next 5 years, 5.00% p.a. thereafter, starting from the 6th year	6.50% p.a. for the next 5 years, 5.00% p.a. thereafter, starting from the 6th year
Rate of Employee Turnover	For service 2 years and below 8.00% p.a. For service 3 years to 4 years 6.00% p.a. For service 5 years and above 4.00% p.a.	For service 2 years and below 8.00% p.a. For service 3 years to 4 years 6.00% p.a. For service 5 years and above 4.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14) (urban)	Indian Assured Lives Mortality (2006-08)

@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	As at March 31, 2022 (Rs. Million)	As at March 31, 2021 (Rs. Million)
b. Change in the Present Value of Obligation		
Opening Present Value of Obligation	2.67	13.09
Current Service Cost	0.20	1.50
Interest Cost	0.18	0.90
Total amount recognised in profit or loss	0.38	2.40
Remeasurements		
(Gain)/loss from change in demographic assumptions	(0.00)	-
(Gain)/loss from change in financial assumptions	(0.10)	0.00
Experience (gain)/losses	0.50	(1.22)
Total amount recognised in other comprehensive income	0.40	(1.22)
Benefit Paid Directly by the Employer	-	(0.79)
Benefit paid	(0.50)	(10.81)
Closing Present Value of Obligation	2.95	2.67
c. Change in Fair Value of Plan Assets		
Opening Fair Value of Plan Assets	1.81	11.65
Interest Income	0.12	0.80
Total amount recognised in profit or loss	0.12	0.80
Remeasurements		
Return on Plan Assets, excluding interest income	(0.12)	0.17
Actuarial gain / (Loss) on Obligations	-	-
Total amount recognised in other comprehensive income	(0.12)	0.17
Contributions	-	-
Benefits paid	(0.50)	(10.81)
Closing Fair Value of Plan Assets	1.31	1.81
d. Balance Sheet Reconciliation		
Opening Net Liability	0.86	1.44
Expenses Recognized in Statement of Profit or Loss	0.26	1.60
Expenses Recognized in OCI	0.52	(1.39)
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer)	-	(0.79)
(Employer's Contribution)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	1.64	0.86
e. Amount recognised in the Balance sheet		
Present value of Obligation	(2.95)	(2.66)
Fair Value of Plan Assets	1.31	1.81
Net (Liability)/Asset Recognized in the Balance Sheet	(1.64)	(0.85)
f. Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	0.20	1.50
Net Interest Cost	0.06	0.10
Total Expenses recognized in the statement of profit and loss*	0.26	1.60

* Included in Employee Benefits Expense



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	As at March 31, 2022 (Rs. Million)	As at March 31, 2021 (Rs. Million)
g. Expenses recognized in the Other Comprehensive Income		
Re-measurement		
Return on Plan Assets	0.12	(0.17)
Net Actuarial Loss/(gain) recognised in the year	0.40	(1.22)
Net (Income)/Expenses for the Period Recognised in OCI	0.52	(1.39)

h. Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in Assumptions	(Rs. Million)	
		Increase/(decrease) in defined benefit obligations	
		March 31, 2022	March 31, 2021
Discount Rate	Increase by 1%	(0.17)	(0.17)
Discount Rate	Decrease by 1%	0.20	0.19
Salary Increase	Increase by 1%	0.20	0.19
Salary Increase	Decrease by 1%	(0.18)	(0.17)
Employee Turnover	Increase by 1%	0.03	0.02
Employee Turnover	Decrease by 1%	(0.03)	(0.02)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i. The major categories of plans assets are as follows:

	(Rs. Million)			
	As at March 31, 2022		As at March 31, 2021	
	Quoted	%	Quoted	%
Insurer Managed funds	1.31	100.00	1.81	100.00

j. Defined benefit liability and employer contributions

Funding is done only for employees more than 5 years in the firm, for less than 5 years employees are paid separately.

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are Rs. 1.64 (31 March 2021 Rs. 1.36) million.

The weighted average duration of the defined benefit obligation is 8 years (2021 - 8 years). The expected maturity analysis of undiscounted pension is as follows:

Particulars	(Rs. Million)			
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years
March 31, 2022				
Defined benefit obligation	0.15	0.15	1.37	3.65
Total	0.15	0.15	1.37	3.65
March 31, 2021				
Defined benefit obligation	0.13	0.13	1.31	3.19
Total	0.13	0.13	1.31	3.19

k. Amounts recognised in current year and previous years

	As at March 31, 2022 (Rs. Million)	As at March 31, 2021 (Rs. Million)
Defined Benefit obligation at the end of the year	2.95	2.66
Fair Value of Plan Assets	1.31	1.81
(Surplus)/ Deficit	1.64	0.85
Experience (gain)/ loss adjustments on plan liabilities	-	-
Experience gain/ (loss) adjustments on plan assets	-	-
Actuarial (gain)/loss due to change in assumptions	0.40	(1.22)

III Other Employee Benefit

The liability for compensated absences as at year end is Rs. 1.41 (March 31, 2021: Rs. 1.38).



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

	Year ended March 31, 2022 Rs. Million	Year ended March 31, 2021 Rs. Million
Note 19 : Depreciation and amortization expense		
Depreciation property, plant and equipment (Refer Note 3)	299.60	362.03
Depreciation Right of Use Assets (Refer Note 28)	212.07	0.93
Amortisation on intangible assets (Refer Note 4)	0.01	-
Total depreciation and amortization expense	511.68	362.96

Note 20 : Other Expenses

Stores and Spares Consumed	106.95	97.76
Contract Labour Charges	2.66	9.37
Water Expenses	117.50	134.27
Repairs and Maintenance:		
Plant and Machinery (Refer note 36)	142.76	96.30
Others	0.04	1.45
Material Handling and Transport Charges	18.40	14.49
Transmission & Power Expenses	47.24	97.35
Directors' Sitting Fees	0.58	0.42
Rent	10.17	8.38
Travelling and Conveyance	0.35	1.25
Legal and Professional Charges	6.44	3.56
Security Expenses	3.18	3.67
Insurance	31.67	30.39
Communication	-	0.20
Corporate Social Responsibility Expenses (Refer note 20 (b))	18.40	17.22
Payments to auditors (Refer note 20 (a))	1.58	1.58
Loss on foreign exchange	4.02	-
Insurance claim receivable written off	-	136.79
Fair value loss on financial instruments at fair value through profit or loss	4.93	-
Miscellaneous	4.11	2.79
Total Other Expenses	520.98	657.24

Note 20 (a) : Details of Payments to auditors

Payments to auditors

As auditor:

Audit fee	1.20	1.20
Tax audit fee	0.15	0.15
Other services (Certification fees)	0.22	0.20
Re-imbursement of expenses	0.01	0.03
Total payments to auditors	1.58	1.58

Note 20 (b) : Corporate Social Responsibility Expenses

(i) Amount required to be spent by the company during the year	18.29	17.22
(ii) Amount spent during the year		
(a) Construction/ acquisition of an asset		
(b) on purpose other than (i) above	18.40	17.22
(iii) Amount spent during the year		
(a) Contribution to Charitable Trust - Welspun Foundation for Health and Knowledge (Refer Note 27)	18.40	17.22

Nature of CSR activities

Promoting education, healthcare, empowerment of women and socially backward, ensuring environmental sustainability, disaster relief, livelihood enhancement projects, development of art and culture, CSR capacity building of own personnel.

Note 21 : Finance costs

Interest and finance charges on financial liabilities not at fair value through profit or loss

- on Short Term borrowings	0.11	1.71
- unwinding of discount on debt component of preference shares	-	21.39
Discounting and Bank Charges	2.14	3.96
Excess of face value over carrying value of preference shares	-	701.44
Interest others (Lease Liabilities)	31.41	0.87
Total Finance cost	33.66	729.37



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 22 : Income tax expense

(Rs. Million)

	March 31, 2022	March 31, 2021
(a) Income tax expense		
<i>Current Tax</i>		
Current Tax on profits for the year.	18.86	177.45
Total current tax expense	18.86	177.45
<i>Deferred Tax</i>		
Decrease in deferred tax assets (Refer Note 6)	(89.55)	(287.99)
Total deferred tax expense/(benefit)	(89.55)	(287.99)
Income tax expense	(70.69)	(110.54)
b) Other Comprehensive Income		
Net loss/(gain) on remeasurement of defined benefit plans	0.18	(0.49)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

(Rs. Million)

	March 31, 2022	March 31, 2021
Profit before income tax expense	105.57	289.64
Tax at the Indian tax rate @ 34.94% (Previous year @ 34.94%)	36.89	101.21
Tax effect of amounts which are not deductible (taxable) in calculating taxable		
Deductions under section 80IA of Income Tax Act, 1961	(134.93)	(395.04)
Impact of reversal during tax holiday period	19.64	-
Redemption of Preference Shares	-	151.12
Corporate social responsibility expenditure	6.43	6.65
Other Items	1.28	25.52
Income Tax Expenses	(70.69)	(110.54)



WELSPUN CAPTIVE POWER GENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 23 : Fair value measurements

(i) Financial instruments by category

	31-Mar-22			31-Mar-21		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Bonds and debentures	651.36	-	-	505.96	-	-
- Mutual funds	9.41	-	-	15.83	-	-
Trade receivables	-	-	788.26	-	-	676.17
Cash and cash equivalents	-	-	158.63	-	-	70.84
Bank Balances other than above	-	-	11.19	-	-	51.93
Insurance Claim Receivable	-	-	55.82	-	-	55.82
Electricity duty refundable	-	-	31.62	-	-	24.05
Interest Accrued on Deposits	-	-	22.32	-	-	8.26
Other receivables	-	-	13.18	-	-	11.62
Total financial assets	660.77	-	1,081.02	521.79	-	898.69
Financial liabilities						
Borrowings	-	-	150.22	-	-	-
Lease Liability	-	-	460.32	-	-	10.25
Security Deposits	-	-	0.05	-	-	0.05
Trade payables	-	-	251.53	-	-	196.06
Other payable	-	-	9.27	-	-	9.27
Total financial liabilities	-	-	871.39	-	-	215.63

ii) Fair value of Financial assets and liabilities measured at amortised cost

Particulars	31-Mar-22		31-Mar-21	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Insurance Claim Receivable	55.82	55.82	55.82	55.82
Interest Accrued on Deposits	22.32	22.32	8.26	8.26
Others	1,002.88	1,002.88	834.61	834.61
Total	1,081.02	1,081.02	898.69	898.69
Financial liabilities				
Borrowings	150.22	150.22	-	-
Security Deposits	0.05	0.05	0.05	0.05
Lease Liability	460.32	460.32	10.25	10.25
Others	260.80	260.80	205.33	205.33
Total	871.39	871.39	215.63	215.63

The carrying amount of trade receivable, other receivables, trade payable, insurance claim receivable, interest accrued on deposits and bonds, cash and cash equivalents are considered to be the same as their value, due to their short-term nature.

The fair values for liability component of compound financial instruments are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair value in fair value hierarchy due to use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(iii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Rs. Million)					
Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2022					
Financial assets					
Bonds & Debentures	5 (b)	-	-	651.36	651.36
Mutual funds - Growth plan	5 (b)	-	9.41	-	9.41
Total financial assets		-	9.41	651.36	660.77



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2022					
Financial assets					
Fixed deposits with Banks with maturity period more than twelve months	5 (a)	-	-	-	-
Interest Accrued on Deposits	5 (a)	-	-	22.32	22.32
Others		-	-	1,002.88	1,002.88
Insurance Claim Receivable	5 (a)	-	-	55.82	55.82
Total financial assets		-	-	1,081.02	1,081.02
Financial Liabilities					
Borrowings	12 (a)	-	-	150.22	150.22
Security Deposits	12 (b)	-	-	0.05	0.05
Lease Liability	28	-	-	460.32	460.32
Trade payables	12 (c)	-	-	251.53	251.53
Other payable	12 (b)	-	-	9.27	9.27
Total financial liabilities		-	-	871.39	871.39

(Rs. Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2021					
Financial assets					
Bonds & Debentures	5 (b)	-	-	505.96	505.96
Mutual funds - Growth plan	5 (b)	-	15.83	-	15.83
Total financial assets		-	15.83	505.96	521.79

(Rs. Million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2021					
Financial assets					
Interest Accrued on Deposits	5 (a)	-	-	8.26	8.26
Others		-	-	834.61	834.61
Insurance Claim Receivable	5 (a)	-	-	55.82	55.82
Total financial assets		-	-	898.69	898.69
Financial Liabilities					
Borrowings	12 (a)	-	-	-	-
Security Deposits	12 (b)	-	-	0.05	0.05
Lease Liability	28	-	-	10.25	10.25
Trade payables	12 (c)	-	-	196.06	196.06
Other payable	12 (b)	-	-	9.27	9.27
Total financial liabilities		-	-	215.63	215.63

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (such as traded bonds, debentures, government securities and commercial papers) is determined using Fixed Income Money Market and Derivatives Association of India (FIMMDA) inputs and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the investors.

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

There are no internal transfers of financial assets and financial liabilities between levels 1, 2 and level 3 during the period. The group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

iv) Valuation technique used to determine fair value :

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.
- NAV quoted by Mutual Funds.

All of the resulting fair value estimates are included in level 2.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 24 : Financial Risk Management

The Company activities are exposed to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis Credit ratings	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a central treasury department (group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables and other receivables

(i) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. Since substantial amount of receivables of the Company are from its own Subsidiaries and Associates credit risk is mitigated.

Ageing of Trade receivables is as follows

Rs. Million

	Not due	0 - 30 days past dues	31 - 60 days past dues	61 - 90 days past dues	91 - 120 days past dues	121 - 180 days past dues	TOTAL
As at March 31, 2022	533.30	2.22	1.62	1.72	72.33	177.07	788.26
As at March 31, 2021	540.14	43.78	18.95	42.29	31.01	-	676.17

During the year and previous years, the Company made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

(B) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	Rs. Million	
	31-Mar-22	31-Mar-21
Expiring within one year (cash credit, bank overdraft and other facilities) (Fund based)	100	250
Expiring within one year (cash credit, bank overdraft and other facilities) (Non Fund based)	400	1,100
TOTAL	500	1,350

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Non utilised fund based limit can be utilised under Non Fund based limit. Maximum limit for fund based is Rs. 100 million and for Non fund based is Rs. 500 million

(ii) 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, and

> net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 25 : Capital Management

(a) Risk management

- The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.
- The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.
- The funding requirements are met through a mixture of equity, internal fund generation and other long term borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements.
- The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all components excluding other components of equity (which comprises the cash flow hedges, translation of foreign operations and available-for-sale financial investments).

The Company's strategy is to maintain a gearing ratio within 2:1. The gearing ratios were as follows:
The following table summarizes the capital of the Company:

	31-Mar-22 Rs. Million	31-Mar-21 Rs. Million
Non-current borrowings	-	-
Current borrowings	150.22	-
Less: cash and cash equivalents	158.63	70.84
Net Debt	(8.41)	(70.84)
Total equity	4,094.35	3,918.43
Gearing ratio	-	-



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 26 : Segment information

The Company is exclusively engaged in the business of generation and sale of Power and Steam, which, in the context of Accounting Standard 108 on Segment Reporting is considered to constitute a single segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year are all as reflected in the financial statements for the year ended March 31, 2022 and as on that date.

Note 27 : Related party transactions

(i) Names of related parties with whom transactions have taken place and nature of relationship:

(a)

Enterprise where control exists

Holding Company

Ultimate Holding Company

Welspun India Limited

Welspun Group Master Trust

(b) Other Related Parties with whom transactions have taken place during the year:

Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year

Welspun Corp Limited

Welspun Steel Limited

Welspun Wasco Coalings Private Limited

Welassure Private Limited

Welspun Metalics Limited

Welspun Anjar SEZ Limited

Welspun Foundation for Health & Knowledge

(c) Key Management Personnel

K.H. Viswanathan

Mala Todarwal

Devendra Patil

Dipali Goenka

Ashok Kumar Joshi

Praveen Bhansali

Shashikant Thorat

Independent Director

Independent Director

Director

Director

Whole Time Director

Chief Financial Officer

Company Secretary



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

27 (U) Following are the transactions and the year-end balances with related parties:
The following transactions occurred with related parties:

Particulars	Welspun India Limited		Welspun Corp Limited		Welspun Steel Limited		Welspun Waco Coatings Pvt Ltd		Welspun Pvt Ltd		Welspun Metals Ltd		Welspun Anjar SEZ Ltd		Welspun Foundation for Health & Education		K.H. Viswanathan		M/s. Wilson	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Statement of profit and loss heads																				
Gross revenue from sale of power, steam, cold trap, power, job work and other services	3,634.21	3,279.03	415.28	351.54	355.51	605.31	1.72	1.73	-	0.74	1.53	16.02	0.77	0.66	-	-	-	-	-	-
Purchase of goods and expenses incurred	11.69	1.38	0.10	0.05	72.84	51.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of capital goods	-	0.57	-	48.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances given towards capital purchase	-	-	-	33.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Expense	117.52	134.32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of E&E expenses incurred on behalf of the Company	-	-	0.51	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	47.23	0.38	2.35	2.63	7.10	7.10	-	-	-	-	-	-	-	-	10.40	17.72	0.26	0.20	-	-
Director's salary (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																				0.18

Note: The above amount are inclusive of taxes wherever applicable

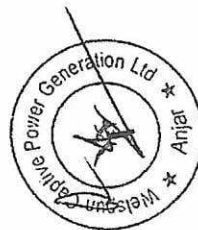
(b) Outstanding balances arising from sale/purchases of goods and services

Particulars	Welspun India Limited		Welspun Corp Limited		Welspun Steel Limited		Welspun Waco Coatings Pvt Ltd		Welspun Pvt Ltd		Welspun Metals Ltd		Welspun Anjar SEZ Ltd		Welspun Foundation for Health & Education		K.H. Viswanathan		M/s. Wilson	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Balance sheet heads (closing balances):																				
Trade payables: Advances received and other liabilities for receiving of services on revenue	17.02	-	0.10	0.07	1.07	-	-	-	1.34	0.06	-	-	-	-	-	-	-	-	-	-
Trade Receivables: Advances given and other receivables for rendering services	420.51	300.42	59.75	60.91	305.75	230.71	0.09	0.03	-	-	2.09	0.77	0.06	0.05	-	-	-	-	-	-
Advances given towards capital purchase	-	-	33.17	33.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Terms and conditions

(i) All transactions with these related parties are priced on an arm's length basis and resulting outstanding balances are to be settled in cash. None of the balances are secured

(ii) There was no non-monetary remuneration paid to CFO in the current and prior financial years as the key management personnel having the authority and also responsible for planning, directing and controlling the Company are employed by the Welspun India Limited Holding Company. The Company does not reimburse Welspun India Limited for services rendered by key management personnel



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

Note 28 : Leases

The Company has lease contract for land used in its operations. Lease period is of 12 years. The Company also has lease of machinery with lease period of 25 years. The company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Description	Amount Rs. Million
As at 1 April 2020	10.73
Additions	-
Lease modifications / adjustments	-
Depreciation expense	0.93
As at 31 March 2021	9.80
Additions	460.16
Lease modifications / adjustments	-
Depreciation expense	212.07
As at 31 March 2022	257.89

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Description	As at March 31, 2022 Rs. Million	As at March 31, 2021 Rs. Million
As at 1 April	10.25	10.86
Additions	460.16	-
Lease modifications / adjustments	-	-
Accretion of interest	31.41	0.87
Payments	(41.50)	(1.48)
As at 31 March 2022	460.32	10.25
Current	7.85	0.66
Non Current	452.47	9.59

The details of the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis are as follows:

Description	As at March 31, 2022 Rs. Million	As at March 31, 2021 Rs. Million
Less than one year	41.51	1.48
One to five years	166.03	5.93
More than five years	767.09	8.12
Total	974.63	15.53

The effective interest rate for lease liabilities is 8%, with maturity in 2046.

The following are the amounts recognised in profit or loss:

Description	As at March 31, 2022 Rs. Million	As at March 31, 2021 Rs. Million
Depreciation expense of right-of-use assets	212.07	0.93
Interest expense on lease liabilities	31.41	0.87
Expense relating to short-term leases (included in other expenses)	10.17	8.14
Expense relating to leases of low-value assets (included in other expenses)	*	0.24
Total amount recognised in profit or loss	253.65	10.18

(*Amount of expense relating to leases of low value assets Rs. 4590)

The Company had total cash outflows for leases of Rs. 51.68 million (previous year Rs. 9.86 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. 460.16 (previous year Rs. nil). There are no future cash outflows relating to leases that have not yet commenced.

The lease contract does not include extension and termination options.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 29 : Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Description	As at March 31, 2022 Rs. Million	As at March 31, 2021 Rs. Million
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	14.22	14.22

Note 30 : Value of Import, calculated on CIF basis

Description	Year Ended March 31, 2022 Rs. Million	Year Ended March 31, 2021 Rs. Million
Raw Materials	311.16	413.21
Spare Parts	-	-
	311.16	413.21

Note 31 : Details of Consumption and Purchases

(a) Details of Raw Materials consumed

Description	Year Ended March 31, 2022 Rs. Million	Year Ended March 31, 2021 Rs. Million
Coal, Lignite & Natural Gas	3,115.50	1,991.19
	3,115.50	1,991.19

(b) Value of Imported and Indigenous Raw Materials and Stores, Spare Parts Consumed and Percentage

(i) Raw Materials

Description	Year Ended March 31, 2022		Year Ended March 31, 2021	
	%	Rs. Million	%	Rs. Million
Imported	7%	214.74	43%	855.29
Indigenous	93%	2,900.76	57%	1,135.90
	100%	3,115.50	100%	1,991.19

(ii) Stores and Spares Consumed

Description	Year Ended March 31, 2022		Year Ended March 31, 2021	
	%	Rs. Million	%	Rs. Million
Imported	0%	-	0%	0.08
Indigenous	100%	106.95	100%	97.68
	100%	106.95	100%	97.76



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 32 : Disclosure for Micro and Small Enterprises:

	Description	Year Ended March 31, 2022 Rs. Million	Year Ended March 31, 2021 Rs. Million
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	-Principal	4.48	1.29
	-Interest	-	-
ii)	The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
	-Principal	33.21	3.80
	-Interest	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified	0.67	0.01
iv)	The amount of interest accrued and remaining unpaid at the end of year	0.67	0.01

The above information and that given in Note 12 (c) - "Trade Payable" regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 33 : Earning per share

	March 31, 2022 Rs. Million	March 31, 2021 Rs. Million
Basic and diluted earnings per share		
Earnings per share attributable to the equity holders of the company	5.97	13.55
Profit for the year	176.26	400.18
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (Number of shares)	2,95,37,988	2,95,37,988

Note 34 : Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - 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
- The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

Note 35 : Employee Stock Option

On July 31, 2021, the Parent of the Company, Welspun India Limited (WIL) has made grants of 4,00,000 stock options ("ESOPs") under Welspun India Limited Employee Stock Option Scheme ("WELSOP 2005") representing an equal number of equity shares of face value of Re. 1 each in the WIL, at an exercise price of Rs. 133.45 to certain employees / non-independent directors of the Company. The ESOPs so granted, shall vest on four anniversaries beginning from July 31, 2022, the first vesting date, in instalments of 20%, 20%, 30% and 30% respectively. The options vested under each of the slabs can be exercised within a period of three years from the respective vesting date. Accordingly, the Company has recorded employee benefit expense of Rs. 2.47 million for the year ended March 31, 2022 and a corresponding liability payable to WIL.

Note 36 : Insurance claim receivable written off

During the previous year, the insurance surveyor in their report dated March 02, 2021 has assessed and approved LOP claim of Rs. 43.21 million. Pursuant to the LOP claim as assessed by the insurance surveyor, the Company on prudent basis has written off Rs. 136.79 million and grouped under other expenses. Further, during the previous year, the insurance surveyor had finalized / approved the machinery break down claim of Rs. 12.61 million, and accordingly the Company has written off balance amount of Rs. 9.31 million under Repairs and Maintenance grouped under other expenses. The above mentioned claim are expected to be realised within one year.

Note 37 : Covid 19 Impact

The Company has considered the possible effects that may result from outbreak of COVID-19 in the preparation of this financial statements including the recoverability of carrying amounts of financial and non-financial assets and liquidity assessment based on future cash flow projections and also actualised excess liabilities / provisions. In building the assumptions relating to the possible uncertainties in the global economic conditions as at the date of approval of these financial statements, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements.



WELSPUN CAPTIVE POWER GENERATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 38 : Ratio

Particulars	Numerator	Denominator	As at 31.01.2022	As at 31.03.2021	Change in Ratio (%)	Explanation
Current Ratio (in times)	Current Assets	Current Liabilities	5.07	6.92	-26.78	Increase in short term borrowings to cover raw material inventory
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	21.20	13.13	61.43	Raw material price increase
Trade receivables turnover ratio (in times)	Revenue from operations	Average Accounts Receivable	5.97	5.71	4.62	
Debt Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.04	-	100.00	Buyers credit taken during the year
Debt Service Coverage Ratio (in times)	Profit after tax + Interest expense + Depreciation and Amortisation expense	Long term debt (excluding prepayments) repaid during the period + Interest payments + Lease payments	16.49	2.04	706.61	Redemption of preference shares done in previous year.
Return on Equity Ratio (in %)	Profit after tax	Average Shareholder's Equity	4.40	10.76	-59.13	Lower margins due to raw material price increase
Trade Payables Turnover Ratio (in times)	Purchases	Average trade payables	15.54	7.07	119.89	Raw material price increase
Net Capital Turnover Ratio (in times)	Revenue from operations	Current Assets - Current Liabilities	2.42	2.99	-19.24	
Net Profit Ratio (in %)	Profit after tax	Revenue from operations	4.03	9.75	-58.65	Lower margins due to raw material price increase
Return on Capital Employed Ratio (in %)	Earnings before interest and taxes	Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	3.96	31.09	-87.26	Raw material price increase
Return on Investment (in %)	Interest earned on investments + Profit on investments - loss on investments	Investments in Bonds and Mutual Funds	6.13%	5.52%	10.87	



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note 39 : Standards issued but not effective up to the date of Financial Statements

Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after Apr 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

(ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Company

Note 40 :

The figures for the previous year are re-arranged / re-grouped, wherever necessary.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Anil Jobanputra
Partner
Membership No. 110759

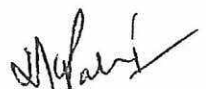


Place: Mumbai
Date: May 5, 2022

For and on behalf of the Board of Directors



Ashok Kumar Joshi
Whole Time Director
DIN: 08607214



Devendra Patil
Director
DIN: 00062784



Praveen Bhansali
Chief Financial Officer



Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 5, 2022