

## NOTICE

NOTICE is hereby given that the 11<sup>th</sup> **Annual General Meeting** of Welspun Captive Power Generation Limited will be held on **Monday, September 27, 2021 at 03.30 p.m.** via **Video Conference "VC" or Other Audio Visual Means "OAVM"** to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company as at March 31, 2021 along with the Reports thereon.
2. To appoint a Director in place of Mr. Devendra Patil (DIN 00062784), who retires by rotation, and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), M/s. Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025), appointed as the Cost Auditors of the Company by the Board of Directors on the recommendation of the Audit Committee of the Board, to conduct the cost audit for the financial year ending March 31, 2022, be paid a remuneration of Rs. 125,000/- (Rupees One Lakh Twenty Five Thousand Only) and such travelling and out-of-pocket expenses, at actual incurred, if any, in connection with the audit, as may be authorized by the Board."

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules") and other applicable rules made pursuant to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law for the time being in force, if applicable, Mr. Nitin Jain (DIN 09000091), who was appointed as an Additional Director with effect from May 07, 2021 by the Board of Directors of the Company under Section 161 of the Companies Act, 2013 and whose term expires at the ensuing Annual General Meeting of the Company and who has

submitted a declaration that he is not disqualified to become a Director as prescribed under Section 152 of the Act, be and is hereby appointed as a Director of the Company and his office shall be liable to retire by rotation.

**Limited**

Place: Mumbai  
Date: May 11, 2021

**By Order of the Board  
For Welspun Captive Power Generation**

**Sd/-**

**Shashikant Thorat  
Company Secretary  
FCS - 6505**

**Registered Office:**

Welspun City, Village Versamedi,  
Taluka Anjar, District Kutch, Gujarat - 370110  
Tel. No.: +91 2836 661111, Fax No.: +91 2836 279010  
CIN: U40100GJ2010PLC060502  
Website: <http://www.welspuncaptivepower.com/>  
Email: [Companysecretary\\_WIL@welspun.com](mailto:Companysecretary_WIL@welspun.com)

## NOTES

1. A statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) in respect of the special business under Item No. 3 and 4 of the Notice is annexed hereto.
2. In terms of Section 152 of the Act, Mr. Devendra Patil (DIN 00062784), Director, retires by rotation at the Meeting and being eligible has offered himself for re-appointment. Mr. Nitin Jain is proposed to be appointed as Director of the Company. In terms of section 149, 152, 161 and Companies (Appointment and Qualification of Directors) Rules, 2014, a brief resume of Mr. Devendra Patil and Mr. Nitin Jain is provided as Annexure – 1 forming part of the Notice.
3. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 08, 2020 and April 13, 2020 and MCA General Circular No. 02/2021 dated 13th January, 2021 permitted holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical attendance of the Members at the AGM venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the Company has decided to convene its 10<sup>th</sup> AGM through VC / OAVM.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on ‘first come first serve’ basis. This will not include large Shareholders (Shareholders holding 2% or more equity shares), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship, Share Transfer and Investor Grievance Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of ‘first come first serve’ basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Since the meeting is scheduled to be held through VC/OAVM, route map is given in the notice.
7. As the Annual General Meeting of the Company is held through VC/OAVM, members are requested to seek information relating to the business specified in this Notice of AGM on or before September 24, 2021 by writing an email to [companysecretary\\_wil@welspun.com](mailto:companysecretary_wil@welspun.com) mentioning their name, folio number/ demat account number, email id and mobile number.
8. As per the MCA General Circular 20/2020 dated 05th May, 2020, the Annual Report will be sent through electronic mode to only those Members whose email IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository Participant(s).
9. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company's Registrar and Transfer Agent.
10. All the correspondence pertaining to shareholding, transfer of shares, transmission etc. should be lodged at the Company's Registrar and Transfer Agents: Purva Sharegistry (India) Private Ltd., Unit: Welspun Captive Power Generation Limited, 9, Shiv Shakti Ind. Estt. J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai - 400 011. Tel. No. 022-2301 6761, 022-2301 8261, Fax No. 022-2301 2517, email- [busicomp@vsnl.com](mailto:busicomp@vsnl.com), [website - www.purvashare.com](http://www.purvashare.com).
11. Members are requested to immediately inform about their change of address, change of e-mail address, if any, to the Company's Share Transfer Agent.
12. The physical copies of the Annual Reports and other documents referred to in the Notice will be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting.
13. The Register of Directors and Key Managerial Personnel and their shareholdings, maintained under Section 170 of the Act, will be available for inspection by the Members at the Meeting.
14. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members at the Meeting.

15. The shareholders who wish to nominate any person to whom his securities shall vest in the event of his death may do so by submitting the attached Nomination Form to the Company or the Registrar and Transfer Agent of the Company. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.

**Limited**

**By Order of the Board  
For Welspun Captive Power Generation**

**Sd/-**

Place: Mumbai  
Date: May 11, 2021

**Shashikant Thorat  
Company Secretary  
FCS - 6505**

**Registered Office:**

Welspun City, Village Versamedi,  
Taluka Anjar, District Kutch, Gujarat - 370110  
Tel. No.: +91 2836 661111, Fax No.: +91 2836 279010  
CIN: U40100GJ2010PLC060502  
Website: <http://www.welspuncaptivepower.com/>  
Email: Companysecretary\_WIL@welspun.com

## **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 3 - Ratification of remuneration payable to the Cost Auditors**

In pursuance of Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, the Board based on the recommendation of the Audit Committee of the Board appointed M/s. Kiran J. Mehta & Co., Cost Accountants (Firm Registration No. 000025) as the Cost Auditors of the Company, for the conduct of the Cost Audit of the Company's various manufacturing units for the financial year 2021-22 on a remuneration of Rs. 125,000 (Rupees One Lakh Twenty Five Thousand Only) plus travelling and out of pocket expenses, at actual incurred, if any, in connection with the audit of the Company. Remuneration payable to the Cost Auditors has to be ratified by the shareholders.

None of the directors or the key managerial personnel of the Company or their relatives may be deemed to be concerned or interested in this resolution.

The Board recommends the resolution set forth in Item No. 3 for the approval of the members.

### **Item No. 4 - Appointment of Mr. Nitin Jain as Director of the Company**

Mr. Jain is a Chartered Accountant by profession with an experience of over 18 years in Shared Services and has been associated with Welspun Group since November 2019.

Pursuant to the provision of Sections 149, 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company had appointed Mr. Jain as Additional Director of the Company w.e.f May 07, 2021.

In terms of the provision of Section 161 of the Act, he would hold office up to the date of ensuing Annual General Meeting of the Members of the Company. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Director of the Company. The Board considers that his continued association would benefit the Company and it is therefore desirable to continue to avail services of Mr. Jain as a Director. The Board recommends the resolution in relation to appointment of Mr. Jain as Director, for the approval by the shareholders of the Company.

Except Mr. Jain, none of the Directors of the Company is, in any way, concerned or interested in the resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

**By Order of the Board  
For Welspun Captive Power Generation Limited**

**Sd/-**

Place: Mumbai  
Date: May 11, 2021

**Shashikant Thorat  
Company Secretary  
FCS - 6505**

**Registered Office:**

Welspun City, Village Versamedi,  
Taluka Anjar, District Kutch, Gujarat - 370110  
Tel. No.: +91 2836 661111, Fax No.: +91 2836 279010  
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Email: [Companysecretary\\_WIL@welspun.com](mailto:Companysecretary_WIL@welspun.com)

**Details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting pursuant to the Secretarial Standards - 2 on General Meeting**

**Annexure 1**

**Mr. Devendra Patil**

Name	Devendra Patil
Date of Birth	November 07, 1959
Date of Appointment	April 30, 2010
Qualifications	C.S., LL.B (General)
Nature of his expertise in specific functional areas	Mr. Patil is a Company Secretary by profession with an experience of over 30 years in Secretarial & Legal. He is in-charge of Secretarial function of Welspun Group of Companies which comprises a number of listed and unlisted operating and holding companies. He is also a director in number of Welspun Group Companies.
Disclosure of relationships with other Directors and Key Managerial Personnel	None
Names of companies in which the person also holds the directorship	Welspun Finholdco Private Limited, Welspun Delhi Meerut Expressway Private Limited, Welspun Realty Private Limited, Veremente Enterprises Private Limited, Besa Developers and Infrastructure Private Limited, Dahej Infrastructure Private Limited, Dewas Water Projects Works Private limited, Welspun Flooring Limited, Diameter Trading Private Limited, Welspun Financial Services Limited, DME Infra Private Limited, Polaire Tradeco Private Limited, Aryabhat Vyapar Private Limited, Welspun Mauritius Holding Ltd, Welspun Mauritius Enterprises Limited
Names of companies and committees, of its Boards, in which the person holds membership	NIL
No. of shares held in the Company	1 (Nominee of Welspun India Limited)
No. of Board meetings attended	Refer of the Directors' Report, 2020-21



**Mr. Nitin Jain**

Name	Nitin Jain
Date of Birth	August 06, 1980
Date of Appointment	May 07, 2021
Qualifications	C.A.
Nature of his expertise in specific functional areas	Mr. Jain is a Chartered Accountant by profession with an experience of over 18 years in Shared Services.
Disclosure of relationships with other Directors and Key Managerial Personnel	None
Names of companies in which the person also holds the directorship	Welspun Global Services Limited
Names of companies and committees, of its Boards, in which the person holds membership	Nil
No. of shares held in the Company	Nil
No. of Board meetings attended	NA

**Form No. SH-13**  
**Nomination Form**

(Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies  
(Share Capital and Debentures) Rules 2014)

To,  
The Company Secretary,  
Welspun Captive Power Generation Limited  
Welspun City, Village Versamedi,  
Taluka Anjar, Dist. Kutch,  
Gujarat, Pin - 370110.

I/ We\_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

**2. PARTICULARS OF NOMINEE/S –**

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

**3. IN CASE NOMINEE IS A MINOR--**

- (a) Date of birth:
- (b) Date of attaining majority
- (c) Name of guardian:
- (d) Address of guardian:

**4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY -**

- (a) Name:
- (b) Date of Birth:

- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with the minor nominee:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder(s) \_\_\_\_\_

Signatures: \_\_\_\_\_

Witness with name and address: \_\_\_\_\_

**Instructions:**

1. Please read the instructions given below very carefully and follow the same to the letter. If the form is not filled as per instructions, the same will be rejected.
2. The nomination can be made by individuals only. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney cannot nominate. If the Shares are held jointly all joint holders shall sign (as per the specimen registered with the Company) the nomination form.
3. A minor can be nominated by a holder of Shares and in that event the name and address of the Guardian shall be given by the holder.
4. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family, or a power of attorney holder. A non-resident Indian can be a nominee on re-patriable basis.
5. Transfer of Shares in favour of a nominee shall be a valid discharge by a Company against the legal heir(s).
6. Only one person can be nominated for a given folio.
7. Details of all holders in a folio need to be filled; else the request will be rejected.
8. The nomination will be registered only when it is complete in all respects including the signature of (a) all registered holders (as per specimen lodged with the Company) and (b) the nominee.
9. Whenever the Shares in the given folio are entirely transferred or dematerialised, then this nomination will stand rescinded.
10. Upon receipt of a duly executed nomination form, the Registrars & Transfer Agent of the Company will register the form and allot a registration number. The registration number and folio no. should be quoted by the nominee in all future correspondence.
11. The nomination can be varied or cancelled by executing fresh nomination form.
12. The Company will not entertain any claims other than those of a registered nominee, unless so directed by a Court.

13. The intimation regarding nomination / nomination form shall be filed in duplicate with the Registrars & Transfer Agents of the Company who will return one copy thereof to the Shareholders.
14. For shares held in dematerialized mode, nomination is required to be filed with the Depository Participant in their prescribed form.

**WELSPUN CAPTIVE POWER GENERATION LIMITED**

CIN : U40100GJ2010PLC060502

**Registered Office** : Welspun City, Village Versamedi, Taluka Anjar, Dist. Kutch, Gujarat, Pin - 370110, India. Board No.: +91 2836 661111, Fax No. + 91 2836 279010,

Email : [CompanySecretary\\_WIL@welspun.com](mailto:CompanySecretary_WIL@welspun.com) Website:  
<http://www.welspuncaptivepower.com/>

**Corporate Office** : Welspun House, 6th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400013. Board : +91 -22-66136000 Fax: +91-22-2490 8021

**E-mail Registration-Cum-Consent Form**

To,

The Company Secretary,

Welspun Captive Power Generation Limited,

Welspun City, Village Versamedi,

Taluka Anjar, Dist. Kutch, Gujarat, Pin - 370110

I/ we the members of the Company do hereby request you to kindly register/ update my e-mail address with the Company. I/ We, do hereby agree and authorize the Company to send me/ us all the communications in electronic mode at the e-mail address mentioned below. Please register the below mentioned e-mail address / mobile number for sending communication through e-mail/ mobile.

Folio No.	:	DP ID	- :	Client ID	:
Name of the Registered Holder (1 <sup>st</sup> )			:		
Name of the joint holder(s)			:		
			:		

Registered Address	:	
	Pin	
	:	
Mobile Nos. (to be registered)	:	
E-mail Id (to be registered)	:	

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**Signature of the Shareholder(s)\***

\* Signature of all the shareholders is required in case of joint holding.

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## DIRECTORS' REPORT

To,  
The Members,  
**WELSPUN CAPTIVE POWER GENERATION LIMITED**

Your Directors have pleasure in presenting their 11<sup>th</sup> Annual Report and audited statement of accounts for the financial year ended March 31, 2021.

### 1. Financial Results:

Particulars	Rs. Million	
	31.03.2021	31.03.2020
Revenue from Operations	4104.08	3,911.78
Other Income	19.37	214.25
Total Revenue	4123.45	4,126.03
Expenditure	3833.81	3,373.62
<b>Profit/(Loss) before Tax</b>	<b>289.64</b>	<b>752.41</b>
Income Tax Expenses	(110.54)	17.58
<b>Profit/( Loss) after Tax</b>	<b>400.18</b>	<b>734.83</b>
<b>Earnings per share (Basic &amp; Diluted)</b>	<b>13.55</b>	<b>24.88</b>

### 2. Performance:

During the year under review, your Company's total revenue was Rs. 4123.45 million i.e. 0.06% lower than the previous year. Profit before tax was Rs. 289.64 million i.e. 61.50% lower than the previous year. Profit for the year is Rs. 400.18 million i.e. 45.54 % lower than the previous year. Your Company has been continuously striving to increase its efficiency and productivity.

### 3. Reserves & Dividend:

Considering the current financial year situations, the directors recommend to plough back profit earned during the period for further strengthening the business and hence, do not recommend any dividend.

### 4. Auditors:

#### (i) Statutory Auditors:

Your Company's Auditors, S R B C & CO LLP, who were appointed up to the conclusion of the 12<sup>th</sup> Annual General Meeting, have given their consent to continue to act as the Statutory Auditors of your Company for the remaining tenure. The Auditors are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Auditors' observation read with Notes to Accounts are self-explanatory and therefore do not call for any comment.

**(ii) Cost Auditors:**

As per Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has reappointed M/s. Kiran J. Mehta, Cost Accountants as the Cost Auditors of your Company for FY 2021-22 on the recommendations made by the Audit Committee.

Members are requested to ratify their remuneration by passing an ordinary resolution in the forthcoming Annual General Meeting.

**(iii) Secretarial Auditor:**

The Secretarial Audit Report for the FY 2020-21 is attached herewith as **Annexure - 1** to this Report and it does not contain any qualification, reservation or adverse remark.

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014, your Company has appointed MNB & Co. LLP, Practising Company Secretary, as the Secretarial Auditor of your Company for the FY 2021-22.

**5. Share Capital:**

During the year, no share with differential voting rights was issued by your Company nor did your Company issue any equity share as sweat equity share and no stock options were issued to the employees of your Company. Paid up share capital consisting of 98,462,012 10% Non-Cumulative Redeemable Preference Shares of Rupees 10/- has been prematurely redeemed as on December 08, 2020.

**6. Finance:**

**Public Deposits:**

Your Company has not accepted any deposit within the meaning of the Chapter V of the Companies Act, 2013. Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under Report.

**7. Board of Directors & Key Managerial Personnel:**

Your Company's Board comprises of mix of Executive and Non-Executive Directors. Except the independent directors, all other directors are liable to retire by rotation as per the provisions of the Companies Act, 2013. None of the Directors have any inter-se relationship amongst each other.

**i. Directors Retiring by Rotation:**



In accordance with the provisions of Section 152 of the Act and the Articles of Association of your Company, Mr. Devendra Patil (DIN: 00062784) is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for his re-appointment. The Board has recommended his re-appointment.

**ii. Appointment/Resignation of Director / Key Managerial Personnel:**

During the year under review, there were no changes in Board of Directors of the Company. However, Mr. Nitin Jain (DIN: 09000091) has been appointed as Non- Executive - Additional Director w.e.f May 07, 2021.

**iii. Number of Meetings & Attendance:**

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The Board met Five (5) times during the FY 2020-2021. The detailed information on the meetings of the Board is as under:

Name of the Director	Category	Board Meetings Attended during the Year 2020-21	Attendance at the Last AGM	No. of other Directorship (as last declared to the Company)			Member / Chairman in No. of Board/ Committees including other Companies (as last declared to the Company)@
				Pub.	Pvt	Other Body Corporate	
(1) Mr. Devendra Patil	Director	5/5	No	7	9	2	3M
(2) Mr. Ashokkumar Joshi	WholeTime Director	3/5	No	0	1	0	-
(3) Ms. Dipali Goenka	Director	1/5	No	8	4	2	3M
(4) Mr. K H Viswanathan	Independent Director	5/5	Yes	4	0	0	4M, 10C
(5) Ms. Mala Todarwal	Independent Director	5/5	Yes	3	0	0	5M

@Chairmanship/membership of Audit Committee, Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee, CSR Committee, Risk Management Committee and Nomination and Remuneration Committee is considered (including both listed and unlisted companies).

In addition to the above, a meeting of the Independent Directors was held on March 11, 2020 in compliance with the Section 149(8) read with Schedule V to the Companies Act, 2013.

**iv. Declaration by an Independent Director(s):**

The independent directors have individually declared to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 at the time of their respective appointment and there is no change in the circumstances as on the date of this report which may affect their status as an independent director.

**v. Directors' Evaluation:**

In compliance with the Act and SEBI Regulations 2015, the Board of Directors, as per the process recommended by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its Committees and Directors. The evaluation process invited graded responses to a structured questionnaire, which was largely in line with the SEBI Guidance Note on Board Evaluation, for each aspect of the evaluation. All the results were satisfactory.

**vi. Familiarization program for Independent Director(s):**

The familiarization program aims to provide the Independent Directors with the scenario within the industry, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

The policy on Company's familiarization programme for Independent Directors is hosted on your Company's website and a web link thereto is: <http://www.welspuncaptivepower.com/>.

**vii. Committee of the Board:**

**(a) Audit Committee:**

**Terms of Reference:** The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Section 177 of the Companies Act, 2013.

The Committee comprises of 3 (Three) Directors having ability to read and understand the financial statements. 9 meetings of the Audit Committee of the Board of Directors were held during the financial year 2020-21. The Composition of the committee and the attendance of the members is given as under:

<b>Name of the Member</b>	<b>Member/ Chairman</b>	<b>Number of Meetings Attended</b>
K H Viswanathan	Chairman	9/9
Devendra Patil	Member	3/9
Ms. Mala Todarwal	Member	9/9

The Company Secretary, Shashikant Thorat acts as the Secretary of the Committee.

All the recommendations made by the Audit Committee were accepted/approved by the Board.

**(b) Nomination and Remuneration Committee:**

**Terms of reference:** To recommend appointment of, and remuneration to, Managerial Personnel and review thereof from time to time.

The Committee comprises of 3 (Three) Directors. The Committee met 1 times during the year. The Composition of Committee and attendance of the members is given hereunder:

<b>Name of the Member</b>	<b>Member/ Chairman</b>	<b>Number of Meetings Attended</b>
K H Viswanathan	Chairman	1/1
Devendra Patil	Member	1/1
Ms. Mala Todarwal	Member	1/1

The Company Secretary, Shashikant Thorat acts as the Secretary of the Committee.

**Nomination and Remuneration Policy:** The Company follows a policy on remuneration of directors and senior management employees and the salient features thereof are as under:

**Appointment of Directors:**

o While identifying persons who may be appointed as director(s), the Committee shall consider business of the Company, strength, weakness, opportunity and threats to Company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and, background, skills, expertise, reputation and qualification possessed by the person being considered, specific requirements under the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws as to composition of the Board.

While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications and suitability to ensure that such candidates will be able to function as directors 'Independently' and void of any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

**Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel:**

o The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 100,000 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders. The Non-Executive Directors of the Company did not entered into any pecuniary transactions with the Company.

- o The remuneration to Executive Directors, Key Managerial Personnel and Senior Management Personnel at the time of appointment shall be mutually agreed. The Committee shall consider industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the vision of the Company. The management shall periodically find out the remuneration scale prevalent in the industry / peer group to the extent possible to find out if there is a need for revision in remuneration for retaining the talent. The Non-Executive Directors may be paid commission after complying with required provisions of the Act. Besides, the Committee shall take into consideration performance, of the concerned executive as well as the Company, the growth of business, profitability, Company's business plan and critical role played / initiatives taken while considering pay hike / increment to the concerned executives.

**(c) Corporate Social Responsibility (CSR):**

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility (“CSR”) Committee. The Board of Directors of your Company has approved a CSR Policy which is hosted on your Company's website and a web link thereto is: <http://www.welspuncaptivepower.com/userfiles/file/CSR%20Policy.pdf>.

The key philosophy of all CSR initiatives of the Company is enshrined in the three E's which have become guiding principles of our CSR initiatives – Education, Empowerment of Women and Environment & Health.

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 are given in **Annexure – 2** to this Report.

**Terms of reference:** To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder.

**Composition of the Committee:** The Committee comprises of 3 (Three) members. K. H. Viswanathan, Devendra Patil and Ms. Dipali Goenka. The Chairman of the Committee is an Independent Director.

The Committee met twice during the year. The Company Secretary Shashikant Thorat acts as the Secretary of the Committee.

**8. Conservation of Energy, Technology Absorption: Foreign Exchange Earnings and Outgo:**

(i) The steps taken or impact on conservation of energy:

Replacement of 4 Nos. ACC fans by high efficiency blades. Power saving of 24 units/fan resulting in annual saving of 840,960 Units resulting in savings of Rs. 33.7 lacs @ Rs. 4.00/Unit.

(ii) the steps taken by the Company for utilizing alternate sources of energy: N.A

(iii) the capital investment on energy conservation equipments: Rs. 16.0 lacs.

(iv) Technology Absorption: Not Applicable

**9. Registrar and Transfer Agent:**

The Company has appointed Registrar and Transfer Agent to handle the share /debenture transfer work and to resolve the complaints of shareholders/ debenture holders. Name, address and telephone number of Registrar and Transfer Agent is given hereunder:

**M/s. Purva Sharegistry(India) Private Limited**

Unit: Welspun Captive Power Generation Limited

9 Shiv Shakti Ind. Estt. J .R. Boricha Marg,

Opp. Kasturba Hospital Lane, Lower Parel (E)

Mumbai 400 011 Email - busicomp@gmail.com

Tel. No.: +91-22-23012518 / 23016761

**10. Particulars of Contracts or Arrangements made with Related Parties:**

All related party transactions that were entered into during the year under report were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by your Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of your Company at large. All related party transactions were entered into because of mutual need and to serve mutual interest. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, are given in **Annexure- 3** to this Report. The Audit Committee has given its omnibus approval which is valid for one financial year. Your Company's policy on Related Party Transactions as approved by the Board is hosted on your Company's website and a web link thereto is:

[http://www.welspuncaptivepower.com/userfiles/file/Related%20Party%20Policy%20\(Modified\).pdf](http://www.welspuncaptivepower.com/userfiles/file/Related%20Party%20Policy%20(Modified).pdf)

The details of the related party transactions as required under IND AS 24 are set out in Note 27 to the Standalone financial statements forming part of this Report.

### 11. Loans, guarantees and investments:

There was no loan given, no investments made, guarantees given and securities provided as covered under the provisions of Section 186 during the year ended March 31, 2021.

### 12. Vigil Mechanism for Directors and Employees:

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated Whistle Blower Policy and Vigil Mechanism for its directors and employees and any director or employee may make protected disclosures to the Chairman of the Audit Committee. No personnel have been denied access to the Audit Committee.

### 13. Risk management:

The Company has a risk management framework to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. The Audit Committee is kept apprised of the proceedings of the Risk Management Committee and also apprised about the risk management framework.

### 14. Details of Remuneration to Directors and Key Managerial Personnel:

A] Details of the employee of your Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

There are no employees eligible as per the requirement of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

B] Details of Remuneration to Directors:

Sr. No	Particulars of Remuneration	Name of Directors		Total amount
		K H Viswanathan	Mala Todarwal	
/	<b>1. Independent Directors</b> <ul style="list-style-type: none"><li>• Fee for attending board committee meetings</li><li>• Commission</li><li>• Others, please specify</li></ul>	0.20	0.18	<b>0.37</b>
		-	-	-
		-	-	-

	<b>Total (1)</b>	<b>0.20</b>	<b>0.18</b>	<b>0.37</b>
	<b>2. Other Non-Executive Directors</b> <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	<b>Total (B) = (1 + 2)</b>	<b>0.20</b>	<b>0.18</b>	<b>0.37</b>
	Total Managerial Remuneration (A+B)			<b>0.37</b>
	Overall Ceiling as per the Act.			

#### 15. Annual Return:

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return is placed on the website of the Company and can be accessed at [www.welspuncaptivepower.com](http://www.welspuncaptivepower.com) under the tab Investor Relations → Notice → Annual Return FY 20-21

#### 16. Internal controls:

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your Company has designed and implemented a process driven framework for Internal Financial Control (“IFC”) within the meaning of the explanation of Section 134(5)(e) of the Act and other relevant statutes applicable to your Company.

Your Company has well-documented Standard Operating Procedures (SOPs) for various processes which are periodically reviewed for changes warranted by business needs. The Internal Auditors continuously monitor the efficiency of the internal controls / compliance with the SOPs with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organization’s risk management, control and governance processes.

For the year ended March 31, 2021, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations; wherein adequate controls are in

place and operating effectively and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

#### **17. Directors' Responsibility Statement:**

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, your directors hereby confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the FY 2020-21;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. being a listed company, the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **18. Miscellaneous:**

During the year, there was no change in the general nature of business of your Company. No material changes or commitments has occurred which would have affected the financial position of your Company between the end of the financial year to which the financial statements relate and the date of the report. No significant and material order was passed by the regulators or courts or tribunals which would have impacted the going concern status and your Company's operations in future. No amount was required to be transferred to General Reserve. The Company does not have any subsidiary, joint venture and associate company; Further, based on the Policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace, the Internal Complaints Committee for each locations of your Company informed that no case of sexual harassments was reported during the year under review. Your Company has not made any provision of money for the purchase of, or subscription for, shares in your Company or its holding Company, to be held by or for the benefit of the employees of your Company and hence the disclosure as required under Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required.

#### **19. Acknowledgement:**

Your Directors thank the Government Authorities, Financial Institutions, Banks, Customers, Suppliers, Shareholders, Employees, Debenture Trustees and other business associates of the



Company, who through their continued support and co-operation, have helped as the partners in your company's progress and achievement of its objectives.

**Place: Mumbai**  
**Date: May 11, 2021**

Sd/-  
**Dipali Goenka**  
**Director**  
**DIN – 00007199**

Sd/-  
**Devendra Patil**  
**Director**  
**DIN - 00062784**

**Annexure- 1**

**Form No. MR -3**

*[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

To,  
The Members,  
**WELSPUN CAPTIVE POWER GENERATION LIMITED**  
Welspun City, Village Versamedi,  
Taluka Anjar. Dist. Kutch,  
Gujarat-370110.  
CIN: U40100GJ2010PLC060502

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WELSPUN CAPTIVE POWER GENERATION LIMITED** (hereinafter referred to as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (No event occurred requiring compliance during the audit period)
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (No event occurred requiring compliance during the audit period)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (No event occurred requiring compliance during the audit period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014; (No event occurred requiring compliance during the audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (No event occurred requiring compliance during the audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (No event occurred requiring compliance during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (No event occurred requiring compliance during the audit period)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non - Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda thereon were sent in compliance to the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions were carried out by majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-  
**Uday Sohoni**  
Practicing Company Secretary  
FCS 9471, CP 10916  
May 11, 2021  
Mumbai

## Annexure - 2

### Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the Company's CSR Policy.**

The Company is not only committed to complying with regulations relating to Corporate Social Responsibility but also aims at creating Corporate Social value. The CSR vision is enshrined in the 3E's i.e.: (i) Education; (ii) Empowerment of women; and (iii) Environment and Health.

These 3E's are implemented through:

- The programs organized by a trust, Welspun Foundation for Health and Knowledge created by the group;
- Tie-ups with Non-Governmental Organizations / Developmental Agencies / Institutions; and
- Facilitating Government initiatives.

**2. The Composition of the CSR Committee.**

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K H Viswanathan	Chairman / Independent Director	2	2
2	Mr. Devendra Patil	Member	2	0
4	Ms. Dipali Goenka	Member	2	2

Ms. Shashikant Thorat, Company Secretary acts as the Secretary to the Committee.

Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company - <http://www.welspuncaptivepower.com/userfiles/file/CSR%20Policy.pdf>

**3. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not applicable.**

4. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required to be set-off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial year (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	Not Applicable		
	<b>Total</b>		

5. Average net profit / (loss) of the Company as per Section 135(5): Rs. 8607.80 Lakhs
6. (a) Two per cent of average net profit of the Company as per Section 135(5): Rs. 172.10 Lakhs
- (b) Surplus arising out of the CSR Projects or programs or activities of the previous financial years - Nil
- (c) Amount required to be set-off for the financial year, if any - N/A.
7. (d) Total CSR Obligation for the financial year (7a+7b-7c) = Rs. 172.15 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (In Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
172.15 Lakhs	-	-	-	-	-

(b) Details of CSR amount spent against Ongoing Projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sr. no.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No)	Location of the Project		Project Duration (years)	Amount Allocated for the Project (in Rs. Lakh)	Amount spent in the current financial year (in Rs. Lakh)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6)	Mode of implementation-Direct (Yes/No)	Mode of implementation-through implementing agency	
				State	District				(in Rs.)		Name	CSR Registration Number
1	Environment Sustainability - Infrastructures and Tree Plantation	Environment	Yes	Valsad / Vapi / Anjar / Bharuch	Valsad / Vapi / Anjar / Bharuch	10	102	101.58	Nil	No	Welspun Foundation for Health & Knowledge	CSR000 01502
2	Conducting Medical Camps, Women Health awareness programme and Infrastructures	Health	Yes	Valsad / Vapi / Anjar / Bharuch	Valsad / Vapi / Anjar / Bharuch	7	350	61.36				
3	Covid 19 expenses	Covid Exp	Yes	Valsad / Vapi / Anjar / Bharuch	Valsad / Vapi / Anjar / Bharuch	2	101	9.21				

4	Smart class Project, Advance Learning, Para Teacher, Siksha Saathi, Ved Shala & Other education related projects including infrastructures	Education	Yes	Valsad / Vapi / Anjar / Bharuch	Valsad / Vapi / Anjar / Bharuch	7	275	0				
5	Sponcership to Sports Women	Promoting Sports	Yes	Maharashtra / Gujarat/ Punjab/ TN/ WB/ Delhi	Maharashtra / Gujarat/ Punjab/ TN/ WB/ Delhi	2	28	0				
6	Staff Salaries, Welfare and other administrative expenses	CSR capacity building of Own Personal	Yes				25	0				
7	Donation to Societies	Donations	Yes	Guajrat	Guajrat	8	40	0				
8	Expenditure for Model Village, Livelihood etc	Model Village	Yes	Valsad / Vapi / Anjar / Bharuch	Valsad / Vapi / Anjar / Bharuch	8	180	0				
							<b>1101</b>	<b>172.15</b>				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	Name of the Project	Item from the list of activities in	Local area (Yes / No)	Location of the Project	Amount spent for the project	Mode of implementation - Direct	Mode of implementation - Through impl ementing



		schedule VII to the Act			(in Rs.)	(Yes/No)	agency	
				State	District		Name	CSR registration No.
Not Applicable								

- (d) Amount spent in Administrative Overheads: Rs. 0 lakh  
(e) Amount spent on Impact Assessment, if applicable: Not applicable  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 172.15 lakh  
(g) Excess amount for set-off, if any - Not applicable

Sr. No.	Particulars	Amount (in Rs.)
(i)	Two Percent of average net profits of the Company as per Section 135(5)	172.15 Lakh
(ii)	Total amount spent for the Financial Year	172.15 Lakh
(iii)	Excess amount spent for the Financial Year [(ii-i)]	Nil
(iv)	Surplus arising out of the CSR Projects or programs or activities of the previous financial year, if any.	Nil
(v)	Amount available for set-off in succeeding financial years [iii-iv]	Nil

9. (a) Details of Unspent CSR Amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount Transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount Unspent un the reporting Financial Year (in Rs.)	Amount Transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	
				None			
	<b>Total</b>						

(b) Details of CSR Amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total Amount Allocated for the project (in Rs. Lakh)	Amount spent on the Project in the reporting financial year (in Rs. Lakh)	Cumulative amount spent at the end of reporting Financial Year (in Rs. Lakh)	Status of the Project - Completed/ Ongoing
				(years)				
1	WCPGL_ENV_1	Enviorment Sustainability - Infrastructures and Tree Plantation	2014-15	10	102.00	101.58	101.58	Ongoing

2	WCPGL_MED_1	Conducting Medical Camps, Women Health awareness programe and Infrastructures	2018-19	7	350.00	61.36	148.10	Ongoing
3	WCPGL_MED_2	Covid 19 expenses	2020-21	2	101.00	9.21	9.21	Ongoing
4	WCPGL_EDU_1	Smart class Project, Advance Learning, Para Teacher, Siksha Saathi, Ved Shala & Other education related projects including infrastructures	2016-17	7	275.00	-	154.42	Ongoing
5	WCPGL_SPRT_1	Sponcership to Sports Women	2019-20	2	28.00	-	27.82	Ongoing
6	WCPGL_MISCL_1	Staff Salaries, Welfare and other administrative expenses			25.00	-	10.76	Ongoing
7	WCPGL_DON_1	Donation to Societies	2017-18	8	40.00	-	20.93	Ongoing
8	WCPGL_LVL_1	Expenditure for Model Village, Livelihood etc	2017-18	8	180.00	-	6.19	Ongoing
					1,101.00	172.15	479.01	

10. In case of creation or acquisition of capital assets, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year.

Asset-wise Detail

Asset	Date of Creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset	Detail of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset.
NIL				

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5) : Not Applicable

Sd/-  
K H Viswanathan  
Chairman of CSR Committee  
DIN: 00391263

Sd/-  
Dipali Goenka  
Director & Member of CSR Committee  
DIN: 00007199

May 11, 2021  
Mumbai

### **Annexure - 3**

#### **Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transactions under third proviso thereto.

- 1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**
- 2. Details of material contracts or arrangement or transactions at arm's length basis.**

(a)	Name(s) of the related party and nature of relationship	Welspun India Limited
(b)	Nature of contracts/arrangements/transactions	Sale of power and steam
(c)	Duration of the contracts / arrangements/transactions	Perpetual
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	As may be mutually agreed periodically considering prevalent market conditions.
(e)	Date(s) of approval by the Board	July 30, 2014
(f)	Amount paid as advances, if any	N.A.

**For Welspun Captive Power Generation Limited**

**Place: Mumbai**  
**Date: May 11, 2021**

**Sd/-**  
**Dipali Goenka**  
**Director**  
**DIN: 00007199**

**Sd/-**  
**Devendra Patil**  
**Director**  
**DIN: 00062784**

## 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, 2021, 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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

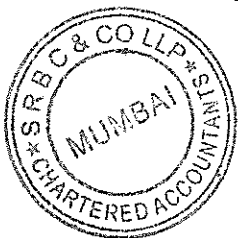
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section 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 Annual 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 and Those Charged with Governance 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.

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 Charged with Governance 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.



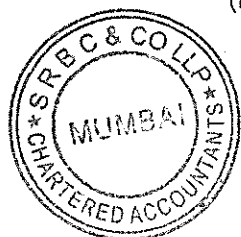
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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;





# SRBC & COLLP

Chartered Accountants

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Welspun Captive Power Generation Limited

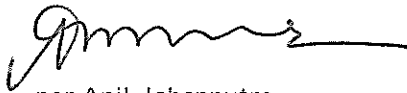
Independent auditors report for the year ended March 31, 2021

- (g) According to the information and explanations given by the management, no managerial remuneration has been paid / provided during the year and hence the provisions of section 197 read with Schedule V to the Companies Act, 2013 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, 2021 for which there were no material foreseeable losses; the Company did not have any long-term derivative contracts as at March 31, 2021;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



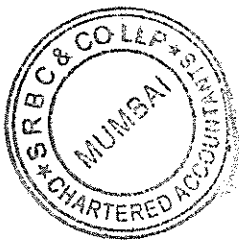
per Anil Jobanputra  
Partner

Membership Number: 110759

UDIN: 21110759AAAACE5142

Place of Signature: Mumbai

Date: May 11, 2021



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

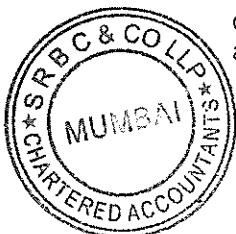
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, 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) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment / fixed assets are held in the name of the company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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) Undisputed statutory dues including provident fund, income-tax, duty of custom, goods and service tax, cess and other statutory dues, applicable to it, have generally been regularly deposited with the appropriate authorities. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (c) According to the records of the Company, there are no dues of service-tax, duty of customs, goods and services tax and cess which have not been deposited on account of any dispute. The particulars of dues of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which 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 did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, no managerial remuneration has been paid / provided during the year and hence the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, 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) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.



# ***S R B C & C O L L P***

Chartered Accountants

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Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2021

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anil Jobanputra  
Partner

Membership Number: 110759

UDIN: 21110759AAAACE5142

Place of Signature: Mumbai

Date: May 11, 2021



Annexure 2 to the independent auditor's report of even date on the standalone 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 over financial reporting of Welspun Captive Power Generation Limited ("the Company") as of March 31, 2021 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

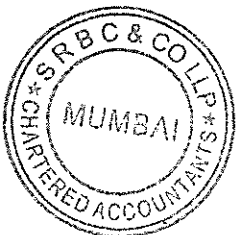
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these standalone 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.



**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

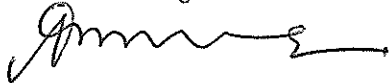
**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anil Jobanputra

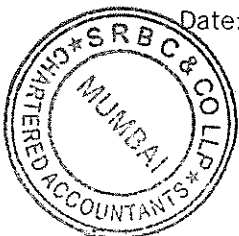
Partner

Membership Number: 110759

UDIN: 21110759AAAACE5142

Place of Signature: Mumbai

Date: May 11, 2021



WELSPUN CAPTIVE POWER GENERATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2021

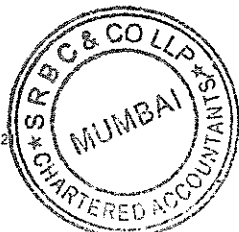
ASSETS	Notes	As At March 31, 2021 Rs. Million	As At March 31, 2020 Rs. Million
<b>Non-current assets</b>			
Property, plant and equipment	3	1,847.66	2,147.57
Capital work-in-progress	3	-	9.47
Intangible assets	4	0.03	0.03
Right of Use Assets (ROU)	28	9.80	10.73
Financial assets	5 (a)	24.05	7.79
Deferred Tax Assets (Net)	6	640.40	352.90
Other non-current assets	7	36.39	3.22
<b>Total non-current assets</b>		<b>2,558.33</b>	<b>2,531.71</b>
<b>Current assets</b>			
Inventories	8	106.17	368.26
Financial assets			
(i) Investments	5 (b)	521.79	45.27
(ii) Trade Receivables	5 (c)	676.17	762.06
(iii) Cash and Cash Equivalents	5 (d)	70.84	109.56
(iv) Bank balances other than (iii) above	5 (e)	51.93	28.90
(v) Other financial assets	5 (a)	75.70	203.32
Current tax assets	9	8.92	8.92
Other current assets	10	91.53	63.60
<b>Total current assets</b>		<b>1,603.05</b>	<b>1,589.89</b>
<b>Total assets</b>		<b>4,161.38</b>	<b>4,121.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11 (a)	295.38	295.38
Other equity			
Equity component of compound financial instruments	12 (a)	-	717.36
Reserves and surplus	11 (b)	3,623.05	2,504.60
<b>Total equity</b>		<b>3,918.43</b>	<b>3,517.34</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
- Borrowings	12 (a)	-	261.79
- Lease Liabilities	28	9.59	10.25
- Other financial liabilities	12 (b)	0.05	0.05
Employee benefit obligations	13	1.71	5.55
<b>Total non-current liabilities</b>		<b>11.35</b>	<b>277.64</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Lease Liabilities	28	0.66	0.61
(ii) Trade payables	12 (c)		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		1.29	0.43
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		194.77	301.15
(iii) Other financial liabilities	12 (b)	9.27	11.95
Employee benefit obligations	13	1.38	2.57
Liabilities for current tax (net)	14 (a)	5.35	0.20
Other current liabilities	14 (b)	18.89	9.71
<b>Total current liabilities</b>		<b>231.61</b>	<b>326.62</b>
<b>Total liabilities</b>		<b>242.96</b>	<b>604.26</b>
<b>Total equity and liabilities</b>		<b>4,161.38</b>	<b>4,121.60</b>
Summary of Significant accounting policies	2		
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

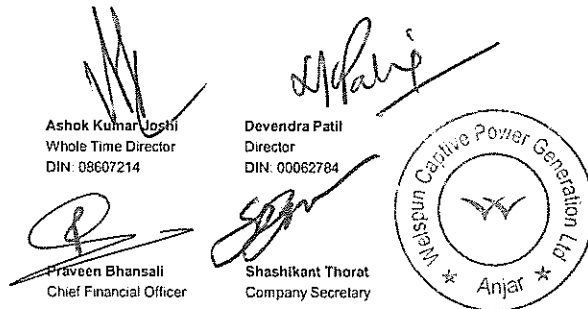


per Anil Jobanputra  
Partner  
Membership No. 110759



Place: Mumbai  
Date: May 11, 2021

For and on behalf of the Board of Directors

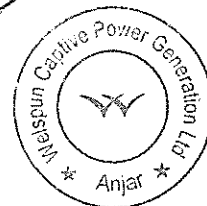


Ashok Kumar Joshi  
Whole Time Director  
DIN: 08607214

Devendra Patil  
Director  
DIN: 00062784

Praveen Bhansali  
Chief Financial Officer

Shashikant Thorat  
Company Secretary



Place: Mumbai  
Date: May 11, 2021

WELSPUN CAPTIVE POWER GENERATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2021

	Notes	Year ended March 31, 2021 Rs. Million	Year ended March 31, 2020 Rs. Million
Revenue from operations	15	4,104.08	3,911.78
Other Income	16	19.37	214.25
<b>Total revenue</b>		<b>4,123.45</b>	<b>4,126.03</b>
<b>Expenses</b>			
Cost of materials consumed	17	1,991.19	2,305.91
Purchases of stock-in-trade		28.35	78.33
Employee benefits expense	18	64.70	130.73
Depreciation and amortization expense	19	362.96	335.37
Other expenses	20	657.24	466.08
Finance costs	21	729.37	57.20
<b>Total expenses</b>		<b>3,833.81</b>	<b>3,373.62</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>289.64</b>	<b>752.41</b>
<b>Income Tax Expense</b>	22		
- Current Tax		177.45	136.94
- Deferred Tax		(287.99)	(119.36)
<b>Total Income Tax Expense</b>		<b>(110.54)</b>	<b>17.58</b>
<b>Profit/ (loss) for the year</b>		<b>400.18</b>	<b>734.83</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	18	1.39	(0.08)
Income tax relating to this item	22	(0.49)	0.03
<b>Other Comprehensive Income for the year, net of tax</b>		<b>0.90</b>	<b>(0.05)</b>
<b>Total Comprehensive Income for the year</b>		<b>401.08</b>	<b>734.78</b>
<b>Earnings Per Share (Rs.) [Nominal value per share : Rs. 10 (March 31, 2020 : Rs. 10)]</b>	33		
Basic earning per share		13.55	24.88
Diluted earning per share		13.55	24.88
Summary of Significant accounting policies	2		
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: 03607214



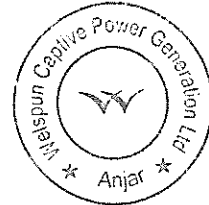
Devendra Patil  
Director  
DIN: 00062784



Praveen Bhansali  
Chief Financial Officer



Shashikant Thorat  
Company Secretary



Place: Mumbai  
Date: May 11, 2021

Place: Mumbai  
Date: May 11, 2021





WELSPUN CAPTIVE POWER GENERATION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
	Rs. million	Rs. million
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	269.64	752.41
Adjustments for :		
Depreciation and Amortisation Expenses	362.06	335.37
Loss / (Profit) on Sale of Fixed Assets	-	0.21
Unrealised Foreign Exchange Differences	-	(0.99)
Changes in fair value of financial assets at fair value through profit or loss	(4.07)	5.41
Dividend and interest income classified as investing cash flows	(11.62)	(19.26)
Write off / Provision for insurance claim receivable	136.79	(180.00)
Provision for insurance claim receivable	-	4.04
Commission on Corporate Guarantee	-	2.33
Finance expenses	729.37	57.20
	<u>1,213.43</u>	<u>204.31</u>
Operating Profit Before Working Capital Changes	<u>1,503.07</u>	<u>956.72</u>
<b>Change in operating assets and liabilities :</b>		
Decrease in trade receivables	65.89	207.99
Increase/ (decrease) in trade and other payables and provisions	(105.52)	230.10
(Increase)/ decrease in inventories	262.09	(209.09)
(Increase) in other current assets	(50.97)	(13.59)
(Increase) in other non current assets	(16.26)	(6.37)
Increase/(decrease) in employee benefit obligation	(3.64)	2.42
Increase in other financial assets	(2.31)	(21.91)
(Decrease) in Other current financial liabilities	(2.69)	(24.10)
Increase/ (decrease) in other current liabilities	9.18	(3.52)
	<u>175.77</u>	<u>161.84</u>
Cash Generated from Operations	<u>1,678.84</u>	<u>1,118.66</u>
Income Tax paid	<u>(172.29)</u>	<u>(120.62)</u>
Net Cash Inflow from Operating Activities	<u>1,506.55</u>	<u>998.04</u>
<b>B. CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment , Capital Work-in-Progress and Capital Advances	(66.68)	(676.95)
Proceeds from sale of Property, Plant and Equipment	0.86	0.00
Payments for purchase of investments	(472.45)	539.89
Interest Received	4.77	34.70
Net Cash Inflow used in Investing Activities	<u>(553.50)</u>	<u>(102.36)</u>
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		
Repayment of Long-term Borrowings	(984.62)	(880.00)
Payment of Lease liabilities	(0.61)	(0.34)
Finance cost paid	(6.54)	(28.89)
Net Cash Flow (used in) from Financing Activities	<u>(991.77)</u>	<u>(909.23)</u>
Net (decrease) / Increase in Cash and Cash Equivalents (A + B + C)	<u>(38.72)</u>	<u>(13.55)</u>
Cash and Cash Equivalents at the beginning of the year	109.56	123.11
Cash and Cash Equivalents at the end of the year	<u>70.84</u>	<u>109.56</u>
Net increase in Cash and Cash Equivalents	<u>(38.72)</u>	<u>(13.55)</u>
Cash and cash equivalents comprise of:		
Cash on Hand		
Bank balances		
- In current accounts	41.63	15.04
- Fixed deposits with Banks with original maturity period of less than three months	29.21	94.52
	<u>70.84</u>	<u>109.56</u>

Changes in liabilities arising from financing activities

Particulars	01-Apr-20	Cash flow	Excess of face value over carrying value of preference shares (refer note 12(a))	31-Mar-21
Borrowings - Non current [ Note 12 (a) ]	261.79	(984.62)	722.83	-


Notes :

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

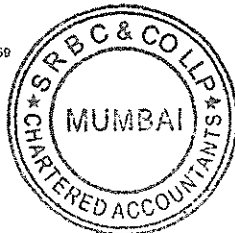
The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date

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

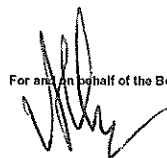


per Anil Jobanputra  
Partner  
Membership No. 110759




Place: Mumbai  
Date: May 11, 2021

For and on behalf of the Board of Directors

  
Ashok Kumar Joshi  
Whole Time Director  
DIN: 08607214

  
Praveen Bhansali  
Chief Financial Officer

Place: Mumbai  
Date: May 11, 2021

  
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, 2021

a. Equity Share Capital

Particulars	Notes	Amount
Balance as at March 31, 2019	11 (a)	295.38
Changes in equity share capital during the year		-
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

b. Other Equity

	Notes	Equity component of compound financial instruments	Reserves and Surplus			Total Equity
			Debtenture Redemption Reserve	Retained earnings	Total	
Balance as at March 31, 2019		717.36	220.00	1,549.82	1,769.82	2,487.18
Profit for the year	11 (b)	-	-	734.83	734.83	734.83
Other Comprehensive Income		-	-	(0.05)	(0.05)	(0.05)
<b>Total Comprehensive Income for the year</b>		<b>717.36</b>	<b>220.00</b>	<b>2,284.60</b>	<b>2,504.60</b>	<b>3,221.96</b>
Transfer from Debtenture Redemption Reserve	11 (b)	-	(220.00)	220.00	-	-
Balance as at March 31, 2020		717.36	-	2,504.60	2,504.60	3,221.96

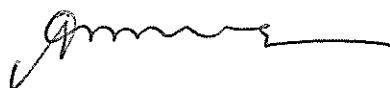
	Notes	Equity component of compound financial instruments	Reserves and Surplus			Total Equity
			Capital Redemption Reserve	Retained earnings	Total	
Balance as at March 31, 2020		717.36	-	2,504.60	2,504.60	3,221.96
Profit for the year	11 (b)	-	-	400.18	400.18	400.18
Other Comprehensive Income		-	-	0.90	0.90	0.90
<b>Total Comprehensive Income for the year</b>		<b>717.36</b>	<b>-</b>	<b>2,905.68</b>	<b>2,905.68</b>	<b>3,623.04</b>
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	2,638.42	3,623.04	3,623.04

Summary of Significant accounting policies

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



Place: Mumbai  
Date: May 11, 2021

For and on behalf of the Board of Directors



Ashok Kumar Joshi  
Whole Time Director  
DIN: 08607214



Praveen Bhansali  
Chief Financial Officer

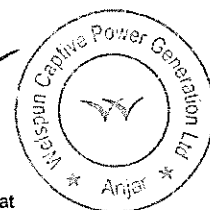
Place: Mumbai  
Date: May 11, 2021



Devendra Patil  
Director  
DIN: 00062784



Shashikant Thorat  
Company Secretary



## **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 11, 2021.

## **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 has 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 is 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.

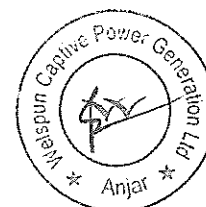
There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

**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.



**Welspun Captive Power Generation Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**

**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

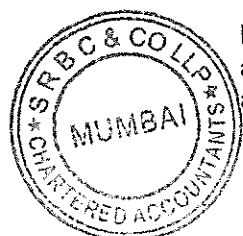
Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax 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).



**Welspun Captive Power Generation Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**

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.

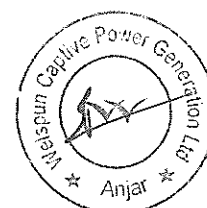
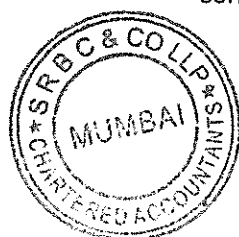
Right-of-use assets

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 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.



**Welspun Captive Power Generation Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**

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.

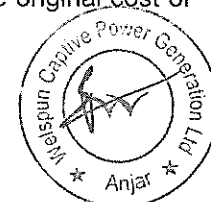
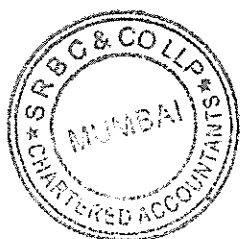
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component 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:

<b>Assets</b>	<b>Estimated Useful Life (80MW, 43MW and Others)</b>
Office Equipment	5 to 10 years
Furniture and fixtures	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.



**Welspun Captive Power Generation Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**

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.

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.

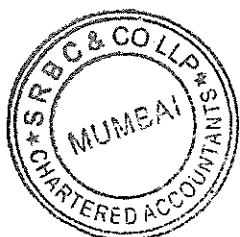
**j) Inventories**

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.





**Welspun Captive Power Generation Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**

**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.

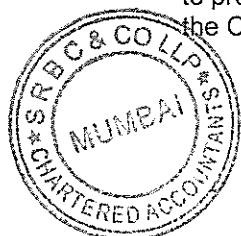
a. Debt instruments

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.



**Welspun Captive Power Generation Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**

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.

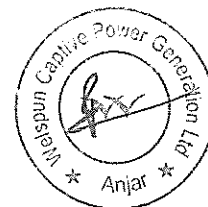
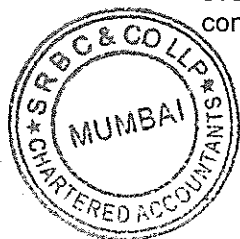
b. Dividends

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.



**Welspun Captive Power Generation Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**

(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.

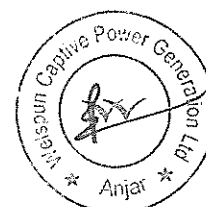
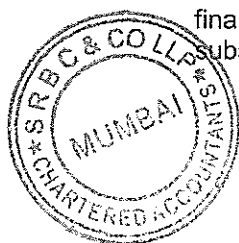
Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash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

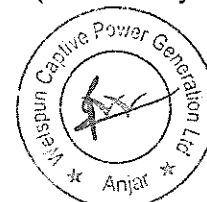
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 "Financial Instruments" are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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**

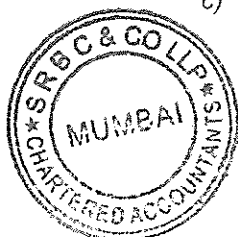
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up 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.

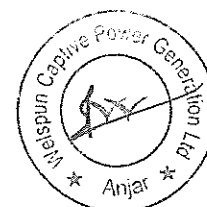
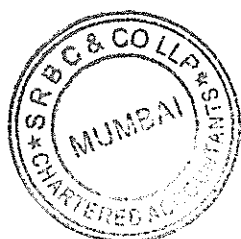
#### d) Bonus Plan

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.



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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).

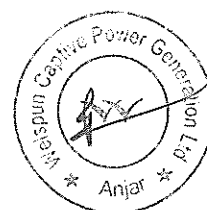
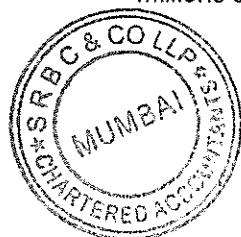
Diluted earnings per share

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).

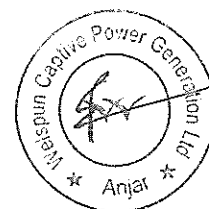
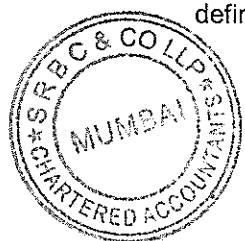
##### **ii) Useful life of Property, Plant and Equipment**

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.





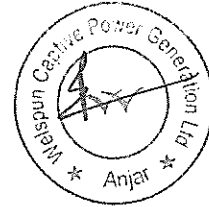
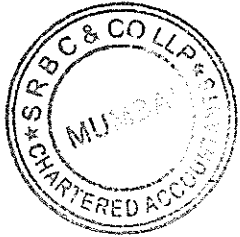
**Welspun Captive Power Generation Limited**  
**Notes to the Financial Statements for the year ended March 31, 2021**

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, 2021 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.



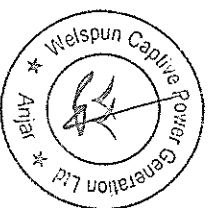
WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 3 : Property, Plant and Equipment

Rs. Million

	Building	Freehold land	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Total	Capital Work in Progress
<b>Year ended 31 March 2020</b>									
Gross carrying amount	683.63	-	2,428.23	0.05	1.13	5.29	4.58	3,122.91	2.16
Opening gross carrying amount	60.38	-	617.08	-	0.43	1.43	0.32	689.64	7.54
Additions (Note 27)	-	-	0.77	-	-	0.03	-	0.80	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	734.01	-	3,044.54	0.05	1.56	6.89	4.90	3,791.75	9.47
<b>Accumulated depreciation and impairment</b>									
Opening accumulated depreciation	107.28	-	1,186.35	0.03	0.62	3.40	2.25	1,309.93	-
Depreciation charge during the year	29.37	-	303.48	-	0.14	0.68	1.17	334.84	-
Disposals	-	-	0.57	-	-	0.02	-	0.59	-
Closing accumulated depreciation	136.65	-	1,499.26	0.03	0.76	4.06	3.42	1,644.18	-
Net carrying amount	597.36	-	1,545.28	0.02	0.80	2.63	1.48	2,147.57	9.47
<b>Year ended 31 March 2021</b>									
Gross carrying amount	734.01	-	3,044.54	0.05	1.56	6.89	4.90	3,791.75	9.47
Opening gross carrying amount	-	-	10.57	0.21	-	0.72	0.18	62.98	-
Additions	-	51.30	1.21	-	-	0.02	-	1.23	-
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Closing gross carrying amount	734.01	51.30	3,053.90	0.26	1.56	7.39	5.08	3,853.50	9.47
<b>Accumulated depreciation and impairment</b>									
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	566.22	51.30	1,226.20	0.21	0.63	2.62	0.48	1,847.66	-



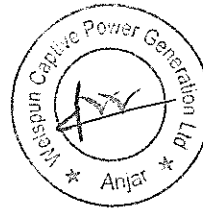
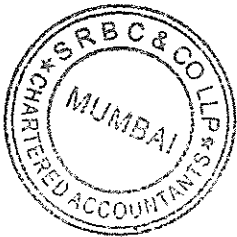
WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 21, 2021

Note 4 : Intangible Assets

Rs. Million

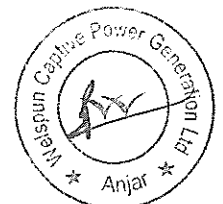
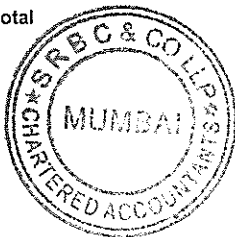
Computer Software	
Year ended 31 March 2020	
<b>Gross carrying amount</b>	
Opening gross carrying amount	0.48
Additions	-
<b>Closing gross carrying amount</b>	<b>0.48</b>
<b>Accumulated depreciation and impairment</b>	
Opening accumulated depreciation	0.40
Amortisation during the year	0.05
<b>Closing accumulated depreciation</b>	<b>0.45</b>
<b>Net Carrying amount</b>	<b>0.03</b>
Year ended 31 March 2021	
<b>Gross carrying amount</b>	
Opening gross carrying amount	0.48
Additions	-
<b>Closing gross carrying amount</b>	<b>0.48</b>
<b>Accumulated depreciation and impairment</b>	
Opening accumulated depreciation	0.45
Amortisation during the year	-
<b>Closing accumulated depreciation and impairment</b>	<b>0.45</b>
<b>Net carrying amount</b>	<b>0.03</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	As At March 31, 2021 Rs. Million	As At March 31, 2020 Rs. Million
<b>Note 5 : Financial assets</b>		
<b>5 (a) : Other non-current financial assets</b>		
Electricity Duty Refundable	24.05	7.79
<b>Total</b>	<b>24.05</b>	<b>7.79</b>
<b>5 (a) : Other current financial assets</b>		
Interest Accrued on Bonds	8.26	1.40
<b>Sub Total (a)</b>	<b>8.26</b>	<b>1.40</b>
Insurance Claim Receivable (Refer Note 34)	55.82	222.58
Less: Provision for Insurance Claim	-	20.66
<b>Sub Total (b)</b>	<b>55.82</b>	<b>201.92</b>
Other receivables	11.62	-
<b>Total (a+b)</b>	<b>75.70</b>	<b>203.32</b>
<b>5 (b) : Current investments</b>		
<b>Quoted:</b>		
<b>Investment in bonds measured at FVPL</b>		
Bonds		
28 (Previous year 28 nos) 9.10% Reliance General Insurance	13.27	13.27
- (Previous year 1400 nos) 9.90% IFCI Ltd Bonds Series 58	-	32.00
49 (Previous year Nil) 6.29% NTPC BONDS (SERIES 71)	49.02	-
194 (Previous year Nil) 6.45% REC BONDS (SERIES XII)	193.03	-
2,39,000 (Previous year Nil) 7.00% PFC BONDS (SERIES IV)	240.64	-
10 (Previous year Nil) 7.18% UBI BONDS (SERIES XXVI)	10.00	-
<b>Investment in mutual funds measured at FVPL</b>		
47,750 (Previous year Nil) ABSL Liquid Fund Growth - Direct	15.83	-
<b>Total</b>	<b>521.79</b>	<b>45.27</b>
Aggregate amount of quoted investments	521.79	45.27
Market Value of quoted investments	521.79	-
Aggregate amount of impairment in the value of Investments	-	-
<b>5 (c) : Trade receivables</b>		
<b>Unsecured (Considered Good)</b>		
Trade Receivables	0.23	0.83
Receivables from related parties (Refer Note 27)	675.94	761.23
<b>Total</b>	<b>676.17</b>	<b>762.06</b>
<b>Break-up of security details</b>		
Secured, considered good	-	-
Unsecured, considered good	676.17	762.06
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Allowance for doubtful debts	-	-
<b>Total</b>	<b>676.17</b>	<b>762.06</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	As At March 31, 2021 Rs. Million	As At March 31, 2020 Rs. Million
<b>5 (d) : Cash and cash equivalents</b>		
Balances with banks		
- In current accounts	41.63	15.04
Fixed deposits with Banks with maturity period of less than three months	29.21	94.52
Cash on Hand	-	-
<b>Total</b>	<b>70.84</b>	<b>109.56</b>

\* Fixed deposits Rs. Nil (March 31, 2020 - Rs. 15.16 million) 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 *	51.93	28.90
<b>Total</b>	<b>51.93</b>	<b>28.90</b>

\* Fixed deposits Rs. 51.93 million (March 31, 2020 - Rs. 28.90 million) were held as lien by banks against letter of credit facility and bank guarantee facilities

	As At March 31, 2021 Rs. Million	As At March 31, 2020 Rs. Million
<b>Note 7 : Other non-current assets</b>		
Capital Advances to related party (Refer note 27)	33.17	-
Balances with Customs and other Government Authorities	2.72	2.72
Security Deposit Others	0.50	0.50
<b>Total</b>	<b>36.39</b>	<b>3.22</b>

**Note 8 : Inventories**

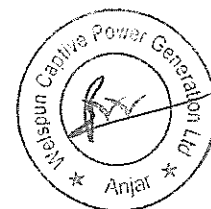
Raw Materials (Includes in transit Rs. nil ; March 31, 2020 : Rs. 261.17 millions)	23.41	284.11
Stores and Spares	82.76	84.15
<b>Total</b>	<b>106.17</b>	<b>368.26</b>

**Note 9 : Current tax assets**

Current tax assets	8.92	8.92
<b>Total</b>	<b>8.92</b>	<b>8.92</b>

**Note 10 : Other current assets**

Balance with Customs, Excise, Sales Tax and other Government Authorities (GST)		
- Considered Good	21.47	14.38
- Considered Doubtful	-	-
Advances to suppliers	40.58	21.07
Advance to Employees	0.64	0.43
Prepaid Expenses	28.84	27.72
<b>Total</b>	<b>91.53</b>	<b>63.60</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

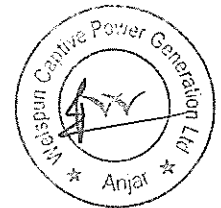
	As At March 31, 2021 Rs. Million	As At March 31, 2020 Rs. Million
<b>Note 6 : Deferred Tax Assets (Net)</b>		
Minimum Alternative Tax Credit Entitlement (Refer note below)	759.26	587.52
Deferred Tax Asset arising on account of Timing differences in:		
- Expenses inadmissible under Section 40(a) of the Income Tax Act, 1961	6.58	3.33
- Provision for Employee Benefits	0.78	2.61
- Others	-	0.03
Deferred Tax Liabilities arising on account of Timing differences in:		
- Property, plant and equipment	(126.22)	(139.12)
- Classification of preference share Liability in equity and liability at inception	-	(101.47)
<b>Total</b>	<b>640.40</b>	<b>352.90</b>

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. Also refer Note 2.3(i).

Movement in deferred tax assets

Particulars	Minimum Alternative Tax Credit Entitlement	Property, plant and equipment	Defined Benefit Obligation	Expenses inadmissible u/s 40a(ia)	Classification of preference share Liability in equity and liability at inception*	Others	Total
April 1, 2019	453.26	(111.14)	1.91	-	(111.19)	0.66	233.50
(Charged) / Credited :							
to Profit & Loss	134.26	(27.98)	0.70	3.33	9.72	(0.66)	119.37
to Other Comprehensive Income	-	-	-	-	-	0.03	0.03
March 31, 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

\* wrt credit refer note 12(a)



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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, 2019	3,00,00,000	300.00
Increase during the year	-	-
As at March 31, 2020	3,00,00,000	300.00
Increase during the year	-	-
As at March 31, 2021	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, 2019	2,95,37,988	295.38
Additions during the year	-	-
As at March 31, 2020	2,95,37,988	295.38
Additions during the year	-	-
As at March 31, 2021	2,95,37,988	295.38

Terms and rights attached to equity shares

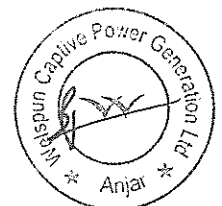
Equity shares have a par value of Rs. 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled 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, 2021		As at March 31, 2020	
	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) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2021		As at March 31, 2020	
	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	58,33,500	19.75	58,33,500	19.75



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	As At March 31, 2021 Rs. Million	As At March 31, 2020 Rs. Million
<b>Note 11 (b) : Reserves and surplus</b>		
Debenture Redemption Reserve	-	-
Capital Redemption Reserve	984.62	-
Retained earnings	2,638.43	2,504.60
<b>Total</b>	<b>3,623.05</b>	<b>2,504.60</b>
<b>(i) Debenture Redemption Reserve</b>		
Opening Balance	-	220.00
Additions/(Transfer) during the year	-	(220.00)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>(ii) Capital Redemption Reserve</b>		
Opening Balance	-	-
Additions during the year	984.62	-
<b>Closing Balance</b>	<b>984.62</b>	<b>-</b>
<b>(iii) Retained earnings</b>		
Opening Balance	2,504.60	1,549.82
Net profit for the year	400.18	734.83
	2,904.78	2,284.65
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	0.90	(0.05)
Transfer to debenture redemption reserve	-	220.00
Equity Component of Preference Shares	717.36	-
Transfer to capital redemption reserve	(984.62)	-
<b>Closing Balance</b>	<b>2,638.43</b>	<b>2,504.60</b>

**Nature and purpose of reserves within equity**

**(i) Debenture Redemption Reserve**

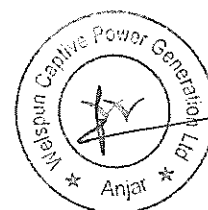
The Company was required to create a debenture redemption reserve out of profits which is available for payment of dividend for the purpose of redemption of debentures which has been transferred to retained earnings since Company has redeemed the debentures during the year.

**(ii) 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)

**(iii) 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, 2021**

	<u>As At March 31, 2021 Rs. Million</u>	<u>As At March 31, 2020 Rs. Million</u>
<b>Note 12 : Financial Liabilities</b>		
<b>Note 12 (a) : Non-current borrowings</b>		
<b>Unsecured :</b>		
Liability component of compound financial instruments (Refer note (a) below)	-	261.79
<b>Total non-current borrowings</b>	<u>-</u>	<u>261.79</u>
Less: Current maturities of long-term debt (included in Note 12 (b))	-	-
<b>Non-current borrowings (as per balance sheet)</b>	<u>-</u>	<u>261.79</u>

**Notes :**

**(a) 10% Non- Cumulative Redeemable Preference Shares**

The Company on March 30, 2016 had issued 98,462,012 10% Non-Cumulative Redeemable Preference Shares (NCRPS) at face value. These NCRPS were redeemable at the expiry of 19 years from the date of allotment or at the option of the Company, whichever is earlier. These NCRPS being financial instruments, for the purpose of preparation of the Ind AS financial statements of the Company, were split into Equity Component and liability component, wherein Equity component had been presented on the face of the Balance Sheet (net of deferred tax) and liability component had been presented at amortized cost.

On December 8, 2020, the Company had exercised the option for early redemption of these NCRPS at face value, on which the difference of Rs. 701.44 million between the face value and the carrying of such NCRPS has been accounted as finance cost during the year. Further pursuant to this redemption, as required under the Companies act 2013, the Company has created Capital Redemption Reserve equivalent to face value of such NCRPS. Refer table below:

Particulars	As At Dec 8, 2020 Rs. Million	As At March 31, 2020 Rs. Million
Face value of 10% Non-Cumulative Redeemable Preference Shares	984.62	984.62
*Equity component of 10% Non-Cumulative Redeemable Preference Shares	868.12	868.12
	<b>116.50</b>	<b>116.50</b>
Unwinding of interest (up to Dec 8, 2020 / up to March 31, 2020)	166.68	145.29
<b>Carrying value</b>	<b>283.18</b>	<b>261.79</b>
Face value at the time of redemption	984.62	-
Excess of face value over carrying value (Finance cost)	(701.44)	-

\*The equity component of preference shares were presented on the face of the balance sheet net of the deferred tax.

**Note 12 (b) : Other financial liabilities**

**Non-current**

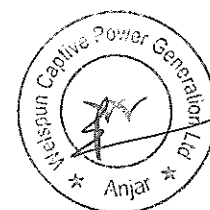
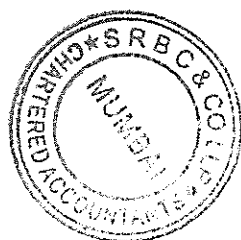
Security Deposits	0.05	0.05
<b>Total other non-current financial liabilities</b>	<u>0.05</u>	<u>0.05</u>

**Current**

Retention money payable	9.27	11.95
<b>Total other current financial liabilities</b>	<u>9.27</u>	<u>11.95</u>

**Note 12 (c) : Trade payables**

- Total Outstanding Dues of Micro Enterprises and Small Enterprises [Refer Note 32]	1.29	0.43
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
- Trade payables to related parties (Refer Note 27)	0.72	0.16
- Others	194.05	300.99
<b>Total</b>	<u>196.06</u>	<u>301.58</u>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	As At March 31, 2021 Rs. Million	As At March 31, 2020 Rs. Million
<b>Note 13 : Employee benefit obligations</b>		
<b>Non-current</b>		
Gratuity (Refer note 18)	0.44	-
Leave Obligation (Refer note 18)	1.27	5.55
<b>Total non-current employee benefit obligations</b>	<b>1.71</b>	<b>5.55</b>
<b>Current</b>		
Leave Obligation (Refer note 18)	0.11	0.47
Gratuity (Refer note 18)	0.41	1.44
Other Payables *	0.86	0.66
<b>Total current employee benefit obligations</b>	<b>1.38</b>	<b>2.57</b>

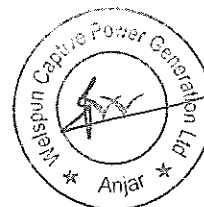
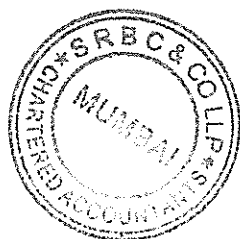
\* Includes salary, wages, bonus and leave travel allowance.

**Note 14 (a) : Liabilities for current tax**

Liabilities for Current tax	5.35	0.20
	<b>5.35</b>	<b>0.20</b>

**Note 14 (b) : Other current liabilities**

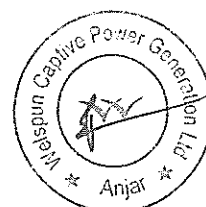
Statutory dues (including Provident Fund and Tax deducted at Source)	18.83	9.52
Advance from customers	0.06	0.19
<b>Total</b>	<b>18.89</b>	<b>9.71</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	Year ended March 31, 2021 Rs. Million	Year ended March 31, 2020 Rs. Million
<b>Note 15 : Revenue from operations</b>		
Revenue from contracts with customers.		
<b>a) Disaggregated revenue information of the company from contracts with customers</b>		
<b>Sale of manufactured Products</b>		
Sale of Power	2,888.75	3,142.31
Sale of Steam	921.92	681.35
	3,810.67	3,823.66
<b>Other operating revenue</b>		
Power Job Work Income	262.36	-
Sale of Coal	29.25	79.43
Sale of Fly Ash	0.05	0.04
Sale of Scrap	1.75	8.65
	293.41	88.12
<b>Total revenue from contract with customers</b>	<b>4,104.08</b>	<b>3,911.78</b>
<b>b) Timing of revenue recognition</b>		
Goods transferred at a point in time	3,841.72	3,911.78
Goods transferred over time	262.36	-
<b>Total revenue from contract with customers</b>	<b>4,104.08</b>	<b>3,911.78</b>
<b>c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price.</b>		
Revenue as per contracted price	4,104.08	3,911.78
<b>Adjustments</b>		
Significant financing component	-	-
Other adjustments	-	-
<b>Total revenue from contract with customers</b>	<b>4,104.08</b>	<b>3,911.78</b>
<b>Contract balances</b>		
The following table provides information about receivables , contract assets and contract liabilities from contracts with customers		
Trade Receivables * (Refer note 5 (c))	676.17	762.06
Contract assets- Other receivables	11.62	-
Contract liabilities - Advances from customers	0.06	0.19
* Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.		
<b>Note 16 : Other income</b>		
Interest Income from financial assets measured at amortised cost		
-on fixed deposits	2.82	9.21
Interest Income from financial assets measured at fair value through profit or loss		
-on bonds	8.80	10.06
Net gain on financial assets measured at fair value through profit or loss		
-on bonds and mutual funds	4.07	6.34
Exchange Gain (Net)	3.18	8.49
Miscellaneous income	0.50	180.15
<b>Total other income</b>	<b>19.37</b>	<b>214.25</b>
<b>Note 17 : Cost of materials consumed</b>		
Raw materials at the beginning of the year	284.11	128.19
Add: Purchases (net)	1,730.49	2,461.83
Less: Raw materials at the end of the year	23.41	284.11
<b>Total cost of materials consumed</b>	<b>1,991.19</b>	<b>2,305.91</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	Year ended March 31, 2021 Rs. Million	Year ended March 31, 2020 Rs. Million
<b>Note 18 : Employee benefits expense</b>		
Salaries, Wages, Allowances and Other Benefits	58.86	117.80
Contribution to Provident and Other Funds	3.84	8.31
Gratuity & Leave compensation	0.66	2.73
Staff and Labour Welfare	1.34	1.89
<b>Total</b>	<b>64.70</b>	<b>130.73</b>

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

I Defined Contribution Plans

	Year ended March 31, 2021	Year ended March 31, 2020
(Rs. million)		
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:		
- Employers' Contribution to Provident Fund*	1.77	5.07
- Employers' Contribution to Employees' Pension Scheme*	1.37	2.43
- Employers' Contribution to Superannuation Scheme*	0.69	0.61
	<b>3.83</b>	<b>8.31</b>

\* 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.

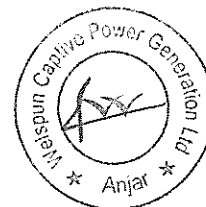
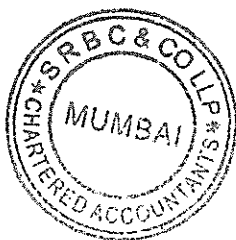
Risk exposure

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, 2021 % p.a.	As at March 31, 2020 % p.a.
Discount Rate	6.85	6.87
Salary Escalation Rate @	6.50% 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 (2006-08)	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 YEAR ENDED MARCH 31, 2021

b. Change in the Present Value of Obligation	(Rs. million)	
	As at March 31, 2021	As at March 31, 2020
Opening Present Value of Obligation	13.09	10.85
Current Service Cost	1.50	1.36
Interest Cost	0.90	0.84
<b>Total amount recognised in profit or loss</b>	<b>2.40</b>	<b>2.20</b>
<b>Remeasurements</b>		
(Gain)/loss from change in demographic assumptions		-
(Gain)/loss from change in financial assumptions	0.00	1.07
Experience (gain)/losses	(1.22)	(0.43)
<b>Total amount recognised in other comprehensive income</b>	<b>(1.22)</b>	<b>0.64</b>
Benefit Paid Directly by the Employer	(0.79)	-
Benefit paid	(10.81)	(0.59)
<b>Closing Present Value of Obligation</b>	<b>2.67</b>	<b>13.10</b>

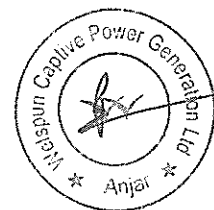
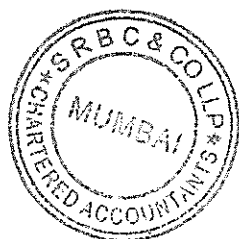
c. Change in Fair Value of Plan Assets	(Rs. million)	
	As at March 31, 2021	As at March 31, 2020
Opening Fair Value of Plan Assets	11.65	10.86
Interest Income	0.80	0.84
<b>Total amount recognised in profit or loss</b>	<b>0.80</b>	<b>0.84</b>
<b>Remeasurements</b>		
Return on Plan Assets, excluding interest income	0.17	0.55
Actuarial gain / (Loss) on Obligations	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>0.17</b>	<b>0.55</b>
Contributions	-	-
Benefits paid	(10.81)	(0.59)
<b>Closing Fair Value of Plan Assets</b>	<b>1.81</b>	<b>11.66</b>

d. Balance Sheet Reconciliation	(Rs. million)	
	As at March 31, 2021	As at March 31, 2020
Opening Net Liability	1.44	(0.00)
Expenses Recognized in Statement of Profit or Loss	1.60	1.36
Expenses Recognized in OCI	(1.39)	0.08
Net Liability/(Asset) Transfer In	-	-
Net (Liability)/Asset Transfer Out	-	-
(Benefit Paid Directly by the Employer) (Employer's Contribution)	(0.79)	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>0.86</b>	<b>1.44</b>

e. Amount recognised in the Balance sheet	(Rs. million)	
	As at March 31, 2021	As at March 31, 2020
Present value of Obligation	(2.66)	(13.09)
Fair Value of Plan Assets	1.81	11.65
<b>Net (Liability)/Asset Recognized in the Balance Sheet</b>	<b>(0.85)</b>	<b>(1.44)</b>

f. Expenses Recognised in the Statement of Profit and Loss	(Rs. million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	1.50	1.36
Net Interest Cost	0.10	(0.00)
<b>Total Expenses recognized in the statement of profit and loss*</b>	<b>1.60</b>	<b>1.36</b>

\* Included in Employee Benefits Expense



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

g. Expenses recognized in the Other Comprehensive Income	(Rs. million)	
	Year ended March 31, 2021	Year ended March 31, 2020
Re-measurement		
Return on Plan Assets	(0.17)	(0.55)
Net Actuarial Loss/(gain) recognised in the year	(1.22)	0.63
Net (Income)/Expenses for the Period Recognised in OCI	(1.39)	0.08

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, 2021	March 31, 2020
Discount Rate	Increase by 1%	(0.17)	(1.16)
Discount Rate	Decrease by 1%	0.19	1.36
Salary Increase	Increase by 1%	0.19	1.36
Salary Increase	Decrease by 1%	(0.17)	(1.18)
Employee Turnover	Increase by 1%	0.02	0.19
Employee Turnover	Decrease by 1%	(0.02)	(0.22)

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, 2021		As at March 31, 2020	
	Quoted	%	Quoted	%
Insurer Managed funds	1.81	100.00	11.65	100.00

j. Defined benefit liability and employer contributions

The Company monitors funding levels on an annual basis and the current agreed contribution rate is 12% of the basic salaries. 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 2021 are Rs. 1.36 million.

The weighted average duration of the defined benefit obligation is 8 years (2020 - 11 years). The expected maturity analysis of undiscounted pension is as follows:

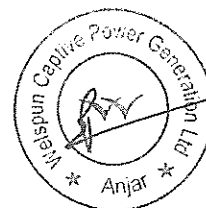
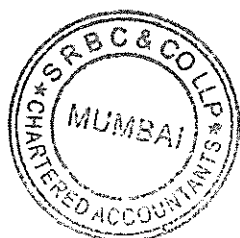
Particulars	(Rs. million)			
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years
March 31, 2021				
Defined benefit obligation	0.13	0.13	1.31	3.19
Total	0.13	0.13	1.31	3.19
March 31, 2020				
Defined benefit obligation	0.67	0.79	3.23	24.93
Total	0.67	0.79	3.23	24.93

k. Amounts recognised in current year and previous years

	(Rs. million)	
	As at March 31, 2021	As at March 31, 2020
Defined Benefit obligation at the end of the year	2.66	13.09
Fair Value of Plan Assets	1.81	11.65
(Surplus)/ Deficit	0.85	1.44
Experience (gain)/ loss adjustments on plan liabilities	-	-
Experience gain/ (loss) adjustments on plan assets	-	-
Actuarial (gain)/loss due to change in assumptions	(1.22)	0.63

III Other Employee Benefit

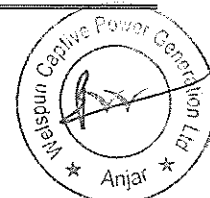
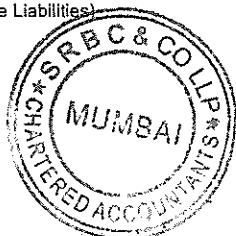
The liability for compensated absences as at year end is Rs. 1.38 (March 31, 2020: Rs. 6.02).



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

	Year ended March 31, 2021 Rs. Million	Year ended March 31, 2020 Rs. Million
<b>Note 19 : Depreciation and amortization expense</b>		
Depreciation property, plant and equipment (Refer Note 3 )	362.03	334.85
Amortisation on intangible assets (Refer Note 4)	-	0.05
Depreciation Right of Use Assets (Refer Note 28)	0.93	0.47
<b>Total</b>	<b>362.96</b>	<b>335.37</b>
<b>Note 20 : Other Expenses</b>		
Stores and Spares Consumed	97.76	61.53
Contract Labour Charges	9.37	26.29
Water Expenses	134.27	109.93
Repairs and Maintenance:		
Plant and Machinery (Refer note 34)	96.30	21.41
Others	1.45	12.86
Material Handling and Transport Charges	14.49	33.59
Commission on Corporate Gurantee	-	2.33
Transmission & Power Expenses	97.35	131.45
Directors' Sitting Fees	0.42	0.58
Rent	8.38	1.69
Travelling and Conveyance	1.25	3.35
Legal and Professional Charges	3.56	4.74
Security Expenses	3.67	3.11
Insurance	30.39	19.78
Communication	0.20	0.19
Corporate Social Responsibility Expenses (Refer note 20 (b))	17.22	14.10
Payments to auditors (Refer note 20 (a))	1.58	1.60
Insurance claim receivable written off (Refer note 34)	136.79	-
Fair value loss on financial instruments at fair value through profit or loss	-	11.76
Miscellaneous	2.79	5.79
<b>Total Other Expenses</b>	<b>657.24</b>	<b>466.08</b>
<b>Note 20 (a) : Details of Payments to auditors</b>		
<b>Payments to auditors</b>		
<b>As auditor:</b>		
Audit fee	1.20	1.20
Tax audit fee	0.15	0.15
Other services (Certification fees)	0.20	0.15
Re-imbusement of expenses	0.03	0.10
<b>Total payments to auditors</b>	<b>1.58</b>	<b>1.60</b>
<b>Note 20 (b) : Corporate Social Responsibility Expenses</b>		
Contribution to Charity Foundation	17.22	14.10
<b>Total</b>	<b>17.22</b>	<b>14.10</b>
Amount required to be spent as per section 135 of the act.	17.22	14.07
<b>Amount spent during the year on</b>		
(i) Construction/ acquisition of an asset		
(ii) on purpose other than (i) above	17.22	14.10
	<b>17.22</b>	<b>14.10</b>
<b>Note 21 : Finance costs</b>		
Interest and finance charges on financial liabilities not at fair value through profit or loss		
- on Short Term borrowings	1.71	6.95
- on Long Term borrowings	-	14.66
- unwinding of discount on debt component of preference shares	21.39	27.80
Discounting and Bank Charges	3.96	7.34
Excess of face value over carrying value of preference shares (refer note 12(a))	701.44	-
Interest others (Lease Liabilities)	0.87	0.45
<b>Total Finance cost</b>	<b>729.37</b>	<b>57.20</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 22 : Income tax expense

(Rs. Million)

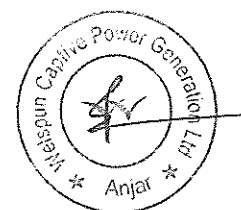
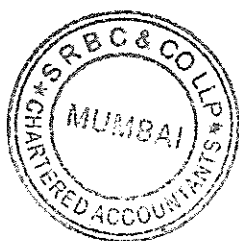
	March 31, 2021	March 31, 2020
<b>(a) Income tax expense</b>		
<i>Current Tax</i>		
Current Tax on profits for the year.	177.45	136.94
<b>Total current tax expense</b>	<b>177.45</b>	<b>136.94</b>
<i>Deferred Tax</i>		
Decrease in deferred tax assets (Refer Note 6)	(287.99)	(119.36)
<b>Total deferred tax expense/(benefit)</b>	<b>(287.99)</b>	<b>(119.36)</b>
<b>Income tax expense</b>	<b>(110.54)</b>	<b>17.58</b>
<b>b) Other Comprehensive Income</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Net loss/(gain) on remeasurement of defined benefit plans	(0.49)	0.03

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

(Rs. Million)

	March 31, 2021	March 31, 2020
Profit before income tax expense	289.64	752.41
<b>Tax at the Indian tax rate @ 34.94%* (Previous year @ 34.94%*)</b>	<b>101.21</b>	<b>262.92</b>
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable</b>		
Deductions under section 80IA of Income Tax Act,1961	(395.04)	(279.77)
Redemption of Preference Shares	151.12	-
Corporate social responsibility expenditure	6.65	4.67
Other Items	25.52	29.76
<b>Income Tax Expenses</b>	<b>(110.54)</b>	<b>17.58</b>

\*The Company have not opted for lower tax rate pursuant to Taxation Law (Amendment) Ordinance, 2019.





WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 23 : Fair value measurements

Financial instruments by category

(Rs. Million)

	31-Mar-21			31-Mar-20		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Current financial assets</b>						
Investments						
- Bonds and debentures	505.96	-	-	45.27	-	-
- Mutual funds	15.83	-	-	-	-	-
Trade receivables	-	-	676.17	-	-	762.06
Cash and cash equivalents	-	-	70.84	-	-	109.56
Bank Balances other than above	-	-	51.93	-	-	28.90
Insurance Claim Receivable	-	-	55.82	-	-	201.92
Interest Accrued on Deposits	-	-	8.26	-	-	1.40
<b>Total financial assets</b>	<b>521.79</b>	<b>-</b>	<b>863.02</b>	<b>45.27</b>	<b>-</b>	<b>1,103.84</b>
<b>Borrowings</b>						
Lease Liability	-	-	10.25	-	-	10.86
Security Deposits	-	-	0.05	-	-	0.05
Trade payables	-	-	196.06	-	-	301.58
Retention money payable	-	-	9.27	-	-	11.95
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>215.63</b>	<b>-</b>	<b>-</b>	<b>586.23</b>

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

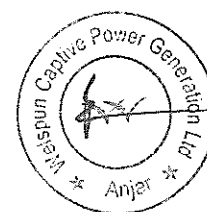
(Rs. Million)

Particulars	31-Mar-21		31-Mar-20	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Insurance Claim Receivable	55.82	55.82	201.92	201.92
Interest Accrued on Deposits	8.26	8.26	1.40	1.40
Others	798.94	798.94	900.52	900.52
<b>Total</b>	<b>863.02</b>	<b>863.02</b>	<b>1,103.84</b>	<b>1,103.84</b>
<b>Financial liabilities</b>				
Liability component of compound financial instruments	-	-	261.79	346.39
Security Deposits	0.05	0.05	0.05	0.05
Others	205.32	205.32	313.53	313.53
<b>Total</b>	<b>205.37</b>	<b>205.37</b>	<b>575.37</b>	<b>659.97</b>

The carrying amount of trade receivable, 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.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(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)

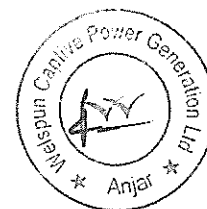
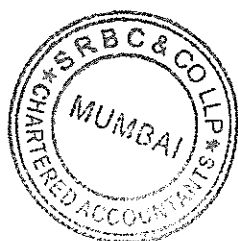
Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2021</b>					
<b>Financial assets</b>					
Bonds & Debentures	5 (b)	-	-	505.96	505.96
Mutual funds - Growth plan	5 (b)	-	-	-	-
<b>Total financial assets</b>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

(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
<b>At March 31, 2021</b>					
<b>Financial assets</b>					
Fixed deposits with Banks with maturity period more than twelve months	5 (a)	-	-	-	-
Interest Accrued on Deposits		-	-	8.26	8.26
Others		-	-	798.94	798.94
Insurance Claim Receivable		-	-	55.82	55.82
<b>Total financial assets</b>		-	-	<b>863.02</b>	<b>863.02</b>
<b>Financial Liabilities</b>					
Security Deposits	11 (b)	-	-	0.05	0.05
Trade payables		-	-	196.06	196.06
Retention money payable		-	-	9.27	9.27
<b>Total financial liabilities</b>		-	-	<b>205.38</b>	<b>205.38</b>

(Rs. Million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2020</b>					
<b>Financial assets</b>					
Bonds & Debentures	5 (b)	-	-	45.27	45.27
Mutual funds - Growth plan	5 (b)	-	-	-	-
<b>Total financial assets</b>		-	-	<b>45.27</b>	<b>45.27</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(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
<b>At March 31, 2020</b>					
<b>Financial assets</b>					
Interest Accrued on Deposits		-	-	1.40	1.40
Others		-	-	900.52	900.52
Insurance Claim Receivable		-	-	201.92	201.92
<b>Total financial assets</b>		-	-	<b>1,103.84</b>	<b>1,103.84</b>
<b>Financial Liabilities</b>					
Security Deposits	11 (b)	-	-	0.05	0.05
Liability component of compound financial instruments	11 (a)	-	-	346.39	346.39
Trade payables		-	-	301.58	301.58
Retention money payable		-	-	11.95	11.95
<b>Total financial liabilities</b>		-	-	<b>659.97</b>	<b>659.97</b>

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. 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 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.

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

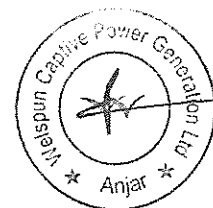
There are no internal transfers of financial assets and financial liabilities between levels 1, 2 and level 3 during the period. The group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

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.

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, 2021

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.	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, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding 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

	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, 2021	540.14	43.78	18.95	42.29	31.01	-	676.17
As at March 31, 2020	682.81	56.71	8.68	4.90	8.95	-	762.05

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.

(ii) Concentration Risk

The Company, being a captive power plant, has only five customers comprising 100% of sale of power and steam. Of these, sales to three customers is greater than 10% of total revenue and these three customers comprise greater than 95% of the total revenue.

(B) Liquidity Risk

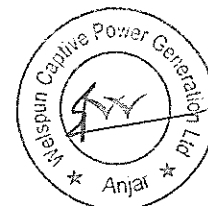
Liquidity risk refers to the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve 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-21	31-Mar-20
Expiring within one year (cash credit, bank overdraft and other facilities) [ Fund based]	250	250
Expiring within one year (cash credit, bank overdraft and other facilities) [ Non - Fund based]	1,100	1,100
<b>TOTAL</b>	<b>1,350</b>	<b>1,350</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(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.

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2021

Rs. Million

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
<b>Non-derivatives</b>							
Borrowings						-	-
Trade payables	196.06	-	-	-	-	-	196.06
Other financial liabilities	9.32	-	-	-	-	-	9.32
<b>Total non-derivative liabilities</b>	<b>205.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205.38</b>
<b>Derivatives (net settled)</b>							
Foreign exchange forward contracts							-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at March 31, 2020

Rs. Million

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
<b>Non-derivatives</b>							
Borrowings		-	-	-	-	984.62	984.62
Trade payables	128.50	173.05	-	-	-	-	301.55
Other financial liabilities	12.00	-	-	-	-	-	12.00
<b>Total non-derivative liabilities</b>	<b>140.50</b>	<b>173.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>984.62</b>	<b>1,298.17</b>
<b>Derivatives (net settled)</b>							
Foreign exchange forward contracts	-	-	-	-	-	-	-
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

C. Market risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments, highly probable forecast transactions and foreign currency required at the settlement date of certain receivables/payables. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's risk management policy and procedures.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk is Rs. Nil (March 31, 2020 Rs. Nil) at the end of the reporting period in India.

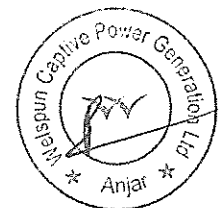
(b) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments arises from foreign forward exchange contracts.

	Impact on profit after tax	
	March 31, 2021	March 31, 2020
<b>USD sensitivity</b>		
INR/USD - Increase by 3% (March 31, 2020 - 3%)*	-	-
INR/USD - Decrease by 3% (March 31, 2020 - 3%)*	-	-

\* Holding all other variables constant

Sensitivity analysis is carried out based on average exchange rate movement of last 3 years.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(ii) Cash flow and fair value interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible bonds and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Rs. Million	
	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings	-	984.62
Variable rate borrowings	-	-
<b>Total borrowings</b>	<b>-</b>	<b>984.62</b>

Sensitivity

The Company does not have floating interest rate borrowing hence sensitivity analysis is not applicable.

(iii) Price risk

(a) Exposure

The Company is mainly exposed to the price risk due to its investment in mutual funds and bonds. The price risk arises due to uncertainties about the future market values of these investments. In order to manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio in accordance with the limits set by the risk management policies. The exposure of the Company's investments at the end of the reporting period are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
	Rs. Million	Rs. Million
Investment in Mutual Funds	15.83	-
Investment in Bonds and G-Sec	505.96	45.27
<b>Total borrowings</b>	<b>521.79</b>	<b>45.27</b>

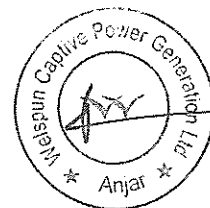
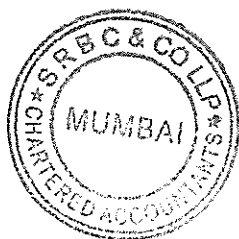
(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.75% increase in price of Mutual Fund / Bond.

Particulars	Impact on profit before tax	
	March 31, 2021	March 31, 2020
Increase in price 0.75% (March 31, 2020 - 0.75% )*	3.91	0.34
Decrease in price 0.75% (March 31, 2020 - 0.75% )*	(3.91)	(0.34)

\* Holding all other variables constant

Sensitivity analysis is carried out based on average price movement of last 3 years and its trend.



**WELSPUN CAPTIVE POWER GENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**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.

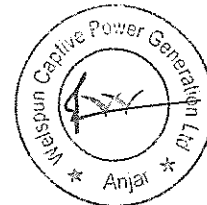
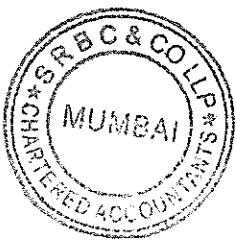
Net debt are long term and short term debts as reduced by cash and cash equivalents (including restricted cash and cash equivalents) and short-term investments. Equity comprises all components excluding other components of equity (which comprises the cash flow hedges, translation of foreign operations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

	<b>31-Mar-21</b> <b>Rs. Million</b>	<b>31-Mar-20</b> <b>Rs. Million</b>
Long term borrowings (Refer Note below)	-	261.79
Net Worth	3,918.43	3,517.34
<b>Net debt to equity ratio</b>	-	<b>0.07</b>

Note:

Long term borrowings includes liability component of compound financial instruments (Refer Note 12).



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**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, 2021 and as on that date. Also refer Note 24(A)(ii) for disclosure on customers to whom the Company has made sales greater than 10% of its revenue.

**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	Welspun India Limited
Ultimate controlling Entity	Welspun Group Master Trust

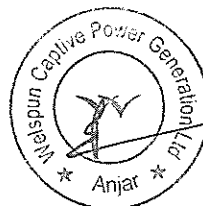
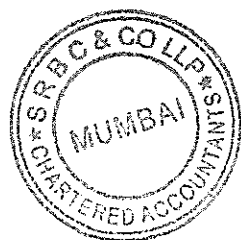
**(b) Other Related Parties with whom transactions have taken place during the year:**

Enterprises over which Key Management Personnel (including Key Management personnel of Holding Company) 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 Coatings Private Limited  
Welassure Private Limited  
Welspun Metallics Limited  
Welspun Anjar SEZ Limited  
Welspun Foundation for Health & Knowledge

**(c) Key Management Personnel**

K.H. Viswanathan	Independent Director
Mala Tadarwal	Independent Director
Devendra Patil	Director
Dipali Goenka	Director
Ashok Kumar Joshi	Whole Time Director
Praveen Bhansali	Chief Financial Officer
Shashikant Thorat	Company Secretary





**WELSPUN CAPTIVE POWER GENERATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

27 (c) 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 Wisco Coatings Pvt Ltd		Welsaura Pvt Ltd		Welspun Metallies Ltd		Welspun Anjar SEZ Ltd		Welspun Foundation for Health & Knowledge		K.H. Viswanathan		Male Todarwal		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Statement of profit and loss heads																					
Gross revenue from sale of power, steam, coal, scrap, power job work and other misc items	3,270.63	2,774.70	351.34	570.80	665.31	651.28	1.73	2.68	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of goods and expenses incurred	1.30	1.81	0.06	50.46	31.08	280.56	-	-	1.53	0.89	-	-	-	-	-	-	-	-	-	-	-
Purchase of capital goods	0.57	-	48.44	714.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances given towards capital purchase	-	-	33.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Expense	134.32	109.93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reimbursement Of Expenses incurred on behalf of the Company	-	-	0.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Guarantee Commission	-	1.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent paid	0.38	0.36	2.60	2.06	7.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Given	-	310.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loan Given	-	310.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director's sitting fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.20	0.27	0.18	0.25	-

\* Amount is inclusive of taxes

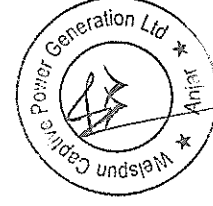
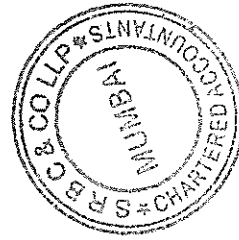
(b) Outstanding balances arising from sales/purchases of goods and services

Particulars	Welspun India Limited		Welspun Corp Limited		Welspun Steel Limited		Welspun Wisco Coatings Pvt Ltd		Welsaura Pvt Ltd		Welspun Metallies Ltd		Welspun Anjar SEZ Ltd		Welspun Foundation for Health & Knowledge		K.H. Viswanathan		Male Todarwal		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Balance sheet heads (Closing balances):																					
Trade payables, Advances received and other liabilities for receiving of services on revenue	-	-	0.67	-	-	-	-	-	0.06	0.16	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables, Advances given and other receivables for rendering services	300.42	310.17	80.91	131.26	203.71	319.66	0.08	0.14	-	-	0.77	-	0.05	-	-	-	-	-	-	-	-
Advances given towards capital purchase	-	-	33.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(d) 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 managerial remuneration paid to CFO in the current and prior financial years as the key management personnel having the authority and are responsible for planning, directing and controlling the Company are employed by the Welspun India Limited (Holding Company). The Company does not reimburse Welspun Inlets Limited for services rendered by key managerial personnel.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2021

Note 28 : Leases

The Company has lease contract for land used in its operations. Lease have lease term of 12 years. The Company also has certain leases of vehicles with lease terms of 12 months or less and leases of buildings 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	Rs. Million	
	Land	Total
As at 1 April 2019	1.02	1.02
Additions	11.20	11.20
Lease modifications / adjustments	(1.02)	(1.02)
Depreciation expense	0.47	0.47
<b>As at 31 March 2020</b>	<b>10.73</b>	<b>10.73</b>
Additions	-	-
Lease modifications / adjustments	-	-
Depreciation expense	0.93	0.93
<b>As at 31 March 2021</b>	<b>9.80</b>	<b>9.80</b>

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

Description	As at	As at
	March 31, 2021	March 31, 2020
	Rs. Million	Rs. Million
As at 1st April	10.86	1.02
Additions	-	11.20
Lease modifications / adjustments	-	(1.02)
Accretion of interest	0.87	0.45
Payments	(1.48)	(0.79)
<b>As at 31st March</b>	<b>10.25</b>	<b>10.86</b>
<b>Current</b>	<b>0.66</b>	<b>0.61</b>
<b>Non Current</b>	<b>9.59</b>	<b>10.25</b>

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

Description	As at	As at
	March 31, 2021	March 31, 2020
	Rs. Million	Rs. Million
Less than one year	1.48	1.48
One to five years	5.93	5.93
More than five years	8.12	9.60
<b>Total</b>	<b>15.53</b>	<b>17.01</b>

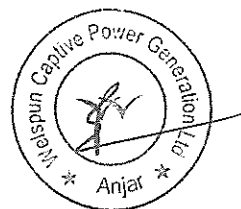
The effective interest rate for lease liabilities is 8%, with maturity in 2031.

The following are the amounts recognised in profit or loss:

Description	As at	As at
	March 31, 2021	March 31, 2020
	Rs. Million	Rs. Million
Depreciation expense of right-of-use assets	0.93	0.47
Interest expense on lease liabilities	0.87	0.45
Expense relating to short-term leases (included in other expenses)	8.14	0.53
Expense relating to leases of low-value assets (included in other expenses)	0.24	0.58
<b>Total amount recognised in profit or loss</b>	<b>10.18</b>	<b>2.03</b>

The Company had total cash outflows for leases of Rs. 9.86 million (March 31, 2020 Rs. 1.90 million). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. nil (March 31, 2020 Rs. 11.20 million). 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, 2021

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, 2021 Rs. Million	As at March 31, 2020 Rs. Million
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	14.22	-

(b) Contingent liabilities

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

Note 30 : Value of Import, calculated on CIF basis

Description	Year Ended March 31, 2021 Rs. Million	Year Ended March 31, 2020 Rs. Million
Raw Materials	413.21	1,059.37
Spare Parts	-	2.91
	413.21	1,062.28

Note 31 : Details of Consumption and Purchases

(a) Details of Raw Materials consumed

Description	Year Ended March 31, 2021 Rs. Million	Year Ended March 31, 2020 Rs. Million
Coal, Lignite & Natural Gas	1,991.19	2,305.91
	1,991.19	2,305.91

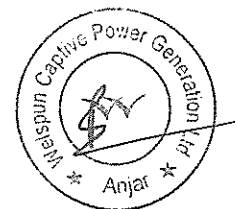
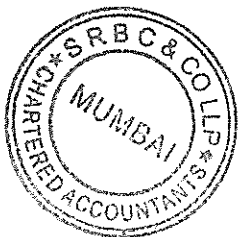
(b) Value of Imported and Indigenous Raw Materials and Stores, Spare Parts Consumed and Percentage

(i) Raw Materials

Description	Year Ended March 31, 2021		Year Ended March 31, 2020	
	%	Rs. Million	%	Rs. Million
Imported	43%	855.29	87%	2,016.74
Indigenous	57%	1,135.90	13%	289.17
	100%	1,991.19	100%	2,305.91

(ii) Stores and Spares Consumed

Description	Year Ended March 31, 2021		Year Ended March 31, 2020	
	%	Rs. Million	%	Rs. Million
Imported	0%	0.08	0%	0.05
Indigenous	100%	97.68	100%	61.48
	100%	97.76	100%	61.53



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

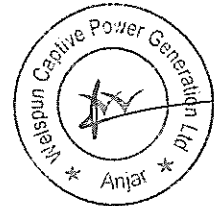
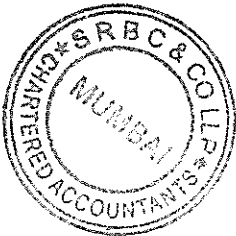
**Note 32 : Disclosure for Micro and Small Enterprises:**

	Description	Year Ended March 31, 2021 Rs. Million	Year Ended March 31, 2020 Rs. Million
i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	-Principal	1.29	0.43
	-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	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	0.01	-
iv)	The amount of interest accrued and remaining unpaid at the end of year	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, 2021	March 31, 2020
	Rs. Million	Rs. Million
Basic and diluted earnings per share		
Earnings per share attributable to the equity holders of the company	13.55	24.88
Profit for the year	400.18	734.83
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 : Insurance claim receivable written off**

During the previous year ended March 31, 2020 based on the provisional assessment by the insurance surveyor appointed by the insurance company, the Company had recorded insurance claim receivables (with corresponding credit in Misc. income) aggregating to Rs. 180 million towards Loss of Profit (LOP) claim for the interruption period for 80 MW power plant. Further, the Company had also recorded insurance claim receivable of Rs. 21.90 million for machinery breakdown, with corresponding credit being netted off against expenses of equivalent amount in Repairs and Maintenance expenses grouped under other expenses.

During the current 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 current 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.

**Note 35 : Standards issued but not effective up to the date of Financial Statements**

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

**Note 36 :**

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

For and on behalf of the Board of Directors

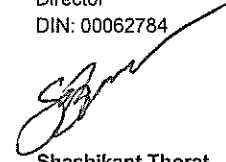


Ashok Kumar Joshi  
Whole Time Director  
DIN: 08607214

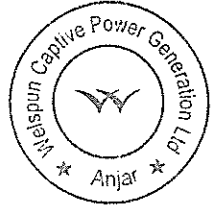
Devendra Patil  
Director  
DIN: 00062784



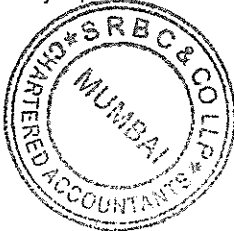
Praveen Bhansali  
Chief Financial Officer



Shashikant Thorat  
Company Secretary



Place: Mumbai  
Date: May 11, 2021



Place: Mumbai  
Date: May 11, 2021