

## DIRECTORS' REPORT

To,  
The Members,  
WELSPUN CAPTIVE POWER GENERATION LIMITED

Your Directors have pleasure in presenting their 6<sup>th</sup> Annual Report and audited statement of accounts for the financial year ended 31<sup>st</sup> March, 2016.

### 1. Financial Results:

(Amount in Rs. Million)

Particulars	31.03.2016	31.03.2015
Income	2881.55	2688.07
Expenditure	2385.25	2586.73
Profit/(Loss) before exceptional items and Tax	496.30	101.33
Exceptional items	-	-
Profit/(Loss) before Tax	496.30	101.33
Current Tax after MAT credit availment	-	-
Provision for taxation - Deferred tax	167.35	(8.92)
Profit/( Loss) after Tax	328.95	110.26

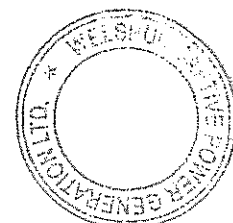
### 2. Performance:

Your Company's 'Revenue from Operations' during the year increased from Rs. 2688.07 million in the year 2014-15 to Rs. 2881.55 million in the year 2015-16, an increase of 7.20%.

The profit after tax during the financial year 2015-16 stood at Rs. 328.95 million as compared to profit after tax of Rs. 110.26 million for financial year 2014-15 an increase of approximately 200%. This was mainly due to higher operational efficiency at which the plant was operated, reduction in coal prices and increase in consumption of electricity by the group Companies during the year. The earnings per share for the financial year stood at Rs. 11.14.

### 3. Reserves & Dividend:

During the Current Financial year, the Company has not transferred any amount to General Reserve. It is proposed to retain Rs. 328.95 million in the Statement of Profit



and Loss of the Company. During the financial year 2015-16, your Company had declared Interim Dividend of 10%. ( Rs. 1.00/- per Preference Shares of Rs. 10.00/- each) The total outgo on account of payment of Interim Dividend, as mentioned above was Rs. 98.46 million respectively (excluding Dividend Distribution Tax amounting to Rs. 20.05 million). The Company has not declared any further dividend to Equity Shareholders and Preference Shareholders.

#### **4. Internal Controls:**

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

#### **5. Share Capital:**

The Company does not have any equity share with differential rights and hence disclosures as required in Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 are not required.

#### **6. Auditors:**

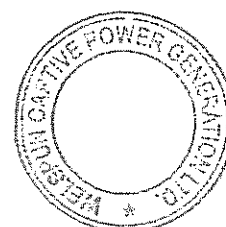
##### **(i) Statutory Auditors**

Your Company's Auditors Price Waterhouse Chartered Accountants LLP, who have been appointed up to the conclusion of the 6<sup>th</sup> Annual General Meeting subject to ratification by the Members of the Company at every Annual General Meeting, have given their consent to continue to act as the Auditors of the Company for the remaining tenure. Members are requested to consider their re-appointment as the Auditors of the Company and to fix their remuneration by passing an ordinary resolution under Section 139 of the Companies Act, 2013.

The notes on account referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

##### **(ii) Secretarial Auditor**

The Board of Directors has re-appointed Mr. Uday Sohoni, Practicing Company Secretary, as the Secretarial Auditor of the Company for the year 2016-17. The Secretarial Audit Report given by Mr. Uday Sohoni, Practicing Company Secretary is annexed with the report as Annexure -2



(iii) Cost Auditors

M/s. Kiran J. Mehta & Co, Cost Accountants, have been re-appointed as the Cost Auditors under Section 148 of the Companies Act, 2013 for the financial year 2016-17. Members are requested to ratify their remuneration by passing an ordinary resolution pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2015.

The Cost Audit Report for the financial year ended March 31, 2015 was submitted to the Central Government on September 18, 2015.

**7. Variation in terms of Preference Shares:**

During the year under review, in order to align the return with market rates, your Company varied the terms of its 6% Non-Cumulative Redeemable Preference Shares to 10% Non-Cumulative Redeemable Preference Shares. The variation in terms of Preference Shares was approved by the Class Shareholders in their Class Meeting and also by the Equity Shareholders of the Company in their Extra-Ordinary General Meeting held on March 09, 2016.

**8. Finance**

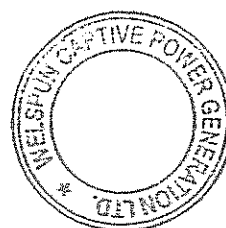
**(i) Non-Convertible Debentures & Credit Rating:**

During the year, your Company issued 2,200 debentures carrying coupon rate 9.84% p.a. on March 30, 2016 aggregating to Rs. 2.2 billion, redeemable at the end of 5 years to repay the existing loan and for general corporate purpose.

During the year under review, the Company had its issue of debentures rated and re-affirmed at Provisional CARE AA- [SO] by Credit Analysis & Research Limited.

**(ii) Listing with the Stock Exchange:**

The Company's Secured Non-Convertible Debentures is listed on Whole Sale Debt Market of National Stock Exchange



**(iii) 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.

**9. 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

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Ms. Khushboo Mandawewala is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for his re-appointment.

**(i) Declaration by an Independent Director(S) and Re- Appointment, If Any**

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.

**(ii) Performance Evaluation:**

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees and individual directors has to be made.

It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/ Non-Executive Directors/ Executive Director and Chairman of the Board.

The Board of Directors, as per the process recommended by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board and its Committees and all the results were satisfactory.



(iii) Number of Meetings & Attendance

The composition and category of directors and relevant details are given below:

Name of the Director	Category	Board Meetings Attended during the Year 2015-16	Attendance at the Last AGM	No. of other Directorship (as last declared to the Company)			Member / Chairman in of Board/ Committee including of Companies last declared the Company
				Pub.	Pvt	Other Body Corporate	
(1) Mr. Devendra Patil	Director	9	Yes	4	10	2	-
(2) Mr. Anuj Burakia	Director	3	No	3	4	1	-
(3) Mr. Sitaram Somani	Director	9	No	5	8	Nil	-
(4) Mrs. Khusbhoo Mandawewala	Director	7	No	5	Nil	Nil	-
(5) Mr. Malay Mahanti	Whole Time Director & Chief Financial Officer	2	No	Nil	Nil	Nil	-
(5) Mr. Dadi Engineer	Independent Director	7	No	6	4	2	-
(6) Mr. Apurba Kumar Dasgupta	Independent Director	9	Yes	6	4	Nil	2C, 5M

During the year 9 (Nine) meetings of the Board of Directors were held on the following dates: April 28, 2015, July 16, 2015, October 15, 2015, October 28, 2015, December 7, 2015, January 13, 2016, February 29, 2016, March 21, 2016 and March 30, 2016.

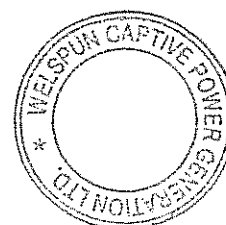
In addition to the above, a meeting of the Independent Directors was held on March 17, 2016 in compliance with the Section 149(8) read with Schedule V to the Companies Act, 2013. The said meeting was attended by Mr. Dadi Engineer and Mr. Apurba Kumar Dasgupta and the Company Secretary attended the meeting on invitation.

None of the Directors is a relative of the other

**10. Committee of the Board:**

**(i) Audit Committee:**

The Committee comprises of directors having ability to read and understand the financial statements.



**Composition of the Committee** Mr. Apurba Kumar Dasgupta (Chairman), Mr. Dadi Engineer and Mr. Malay Mahanti (Members).

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

4 meetings of the Audit Committee of the Board of Directors were held during the financial year 2015-16 on following dates: April 28, 2015, July 16, 2015, October 15, 2015 and January 13, 2016.

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

**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.

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

The Company had constituted the Nomination and Remuneration Committee consisting of non-executive directors majority of which are independent director. During the year under review, 1 (One) meeting of the Committee was held on April 28, 2015.

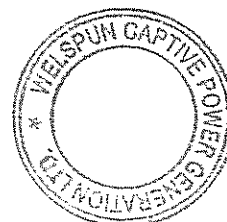
**Terms of reference:** To recommend appointment of, and remuneration to, Managerial Personnel and review thereof from time to time.

**Composition of the Committee:** The Committee comprises of Mr. Apurba Kumar Dasgupta, Mr. Dadi Engineer and Mr. Devendra Patil.

**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

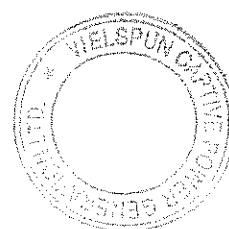


Requirements) Regulations, 2015 and any other laws as to composition of the Board.

- 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:**

- 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.
- 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.

**(iii) 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 Company has also formulated a CSR Policy. 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.

**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 Mr. Apurba Kumar Dasgupta, Mr. Devendra Patil and Ms. Khushboo Mandawewala. The Chairman of the Committee is an Independent Director.

The Committee informed that in the view of negative average net profit for the last three preceding years ended on March 31, 2015, it is not required to contribute any amount for any CSR activities conducted during the year. The Committee did not recommend any CSR budget for approval by the Board.

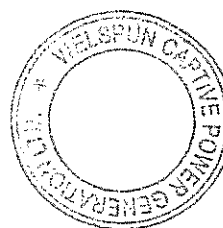
**11. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the annexure attached herewith as Annexure-3

**12. 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

### 13. Debenture & Debenture Trustee:

The Secured Non-Convertible Debentures issued by the Company are listed on BSE with the following identification numbers:

NSE Scrip Code	ISIN Nos
WCPG17	INE667O07016
WCPG18	INE667O07024
WCPG19	INE667O07032
WCPG21	INE667O07040

#### Debenture Trustee:

SBICAP Trustee Company Limited  
Apeejay House, 6th Floor,  
West Wing, 3, Dinshaw Vachha Road,  
Churchgate, Mumbai - 400 020

### 14. 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- 4 to the Board's report.

The details of the related party transactions as required under Accounting Standard - 18 are set out in Note 36 to the Standalone financial statements forming part of this Report.



#### **15. Loans, guarantees and investments:**

Details of Loans given, Investments made, Guarantees given and Securities provided as covered under the provisions of Section 186 of the Act are given in the notes to the financial statements, if any.

#### **16. 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.

#### **17. Risk management**

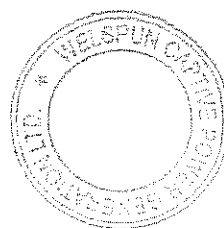
The Company has a risk management framework to inform the Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly designed framework. The Audit Committee is kept apprised of the proceedings of the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

#### **18. Particulars of Employees:**

There are no details to be mentioned as per provisions of Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **19. Extract Of The Annual Return:**

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached to this report as Annexure-1



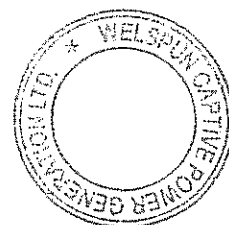
## 20. Directors' Responsibility Statement:

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, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- 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.

## 21. Miscellaneous:

During the year, there was no change in the general nature of business of your Company. No material change or commitment 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. 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.



## 22. Acknowledgement:

Your directors thank the Government Authorities, Financial Institutions, Banks, Customers, Suppliers, Shareholders, Employees 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.

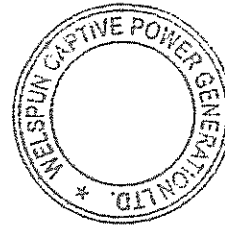
Place: Mumbai  
Date: April 25, 2016



Devendra Patil  
Director  
DIN - 00062784



Sitaram Somani  
Director  
DIN - 00005017



Annexure -1  
Form No. MGT - 9  
**EXTRACT OF ANNUAL RETURN**  
As on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

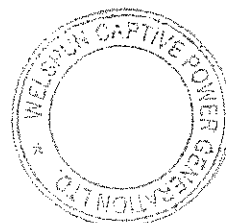
**I. REGISTRATION AND OTHER DETAILS**

- i. CIN :- U40100GJ2010PLC060502
- ii. Registration Date : April 30, 2010
- iii. Name of the Company : Welspun Captive Power Generation Limited
- iv. Category / Sub Category of the Company : Public Company/ Company having Share Capital and Limited by Shares
- v. Address of the registered office and contact details: Welspun City, Village Versamedi, Taluka Anjar. Dist. Kutch, Gujarat-370110.  
Contact: The Company Secretary, Tele. 022-66136000/66136409;  
email id: companysecretary\_wil@welspun.com.
- vi. Whether listed company: Yes (Only Debentures are listed)
- vii. Name, address and contact details of Registrar and Transfer Agent, if any:  
Purva Shareregistry (India) Private Limited.  
Address: Unit no. 9 Shiv Shakti Ind. Estt. J .R. Boricha Marg, Opp.  
Kasturba Hospital Lane, Lower Parel (E) Mumbai 400 011

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the company.
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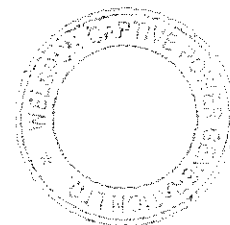
1	Electricity	2716	85.57%
2	Steam		12.08%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name And Address Of The Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Krishiraj Trading Limited	U65990GJ1992PLC050965	Holding	50.28%	2(46)
2	Welspun India Limited	L17110GJ1985PLC033271	Holding	68%	2(46)

IV. SHARE HOLDING PATTERN  
i. Category-wise share holding

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year			
		Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares	Number of shares held in dematerialized form	Number of shares held in Physical form	Total number of shares	% of total shares
(A)	Shareholding of Promoter and Promoter Group								
1	Indian								
(a)	Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	29,537,988	-	29,537,988	100.00	29,537,988	-	295,379,880	100.00
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	29,537,988	-	295,379,880	100.00	29,537,988	-	295,379,880	100.00



ii. Shareholding of Promoters

Sl. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Welspun India Limited	20,084,996	68.00	-	20,084,996	68.00	-	0.00
2.	Welspun Corp Limited	5,316,429	18.00	-	5,833,499	19.75	-	0.00
3.	Welspun Steel Limited	4,136,559	14.00	-	2,954,685	10.00	-	0.00
4	Welspun Wasco Coatings Private Limited	-	-	-	664,804	2.25	-	0.00
	<b>Total of Promoters</b>	<b>28,298,988</b>	<b>100.00</b>	<b>-</b>	<b>29,537,988</b>	<b>100.00</b>	<b>-</b>	<b>0.00</b>

iii. Change in Promoters' shareholding

Sr. No	Constituent of Promoter Group	Shareholding at the beginning of the year		Reason for Increase/Decrease	Cumulative shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Welspun Corp Limited	5,316,429	18.00	Purchase of 517,070 equity shares from Welspun Steel Limited	5,833,499	19.75
2	Welspun Wasco Coatings Private Limited	-	-	Purchase of 664,804 equity shares from Welspun Steel Limited	664,804	2.25
3	Welspun Steel Limited	4,136,559	14.00	Sale of 1,181,874 equity shares to Welspun Corp Limited & Welspun Wasco Coatings Private Limited	4,136,559	14.00

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable



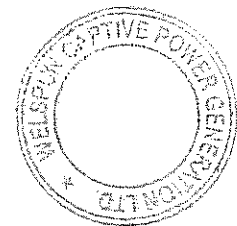
v. Shareholding of Directors and Key Managerial Personnel : Not Applicable

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(Rs. In Million)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	2,842,733,961			2,842,733,961
ii. Interest due but not paid	-			-
iii. Interest accrued but not due	1,555,279			1,555,279
Total (I + ii + iii)	2,844,289,240			2,844,289,240
Change in indebtedness during the financial year.				
• Addition	2,200,000,000			2,200,000,000
• Reduction	-2,842,733,961			-2,842,733,961
Net change	-642,733,961			642,733,961
Indebtedness at the end of the financial year				
i. Principal Amount	2,200,000,000			2,200,000,000
ii. Interest due but not paid				
iii. Interest accrued but not due	665,179			665,179
Total (i+ii+iii)	2,200,665,179			2,200,665,179





VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

A. Remuneration to Managing Director, whole-time directors and/or Manager: Not Applicable


B. Remuneration to other directors.


Sr. No.	Particulars of Remuneration	Name Of Directors		Total amount
		Dadi Engineer	A.K Dasgupta	
	1. Independent Directors			
	• Fee for attending board committee meetings	180,000	195,000	375,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	180,000	195,000	375,000
	2. Other Non-Executive Directors			
	• Fee for attending board committee meetings	Nil	Nil	Nil
	• Commission			
	• Others, please specify			
	Total (2)	Nil	Nil	Nil
	Total (B) = (1 + 2)			375,000
	Total Managerial Remuneration (A+B)			375,000
	Overall Ceiling as per the Act.			

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

For Welspun Captive Power Generation Limited

  
Devendra Patil  
Director  
DIN: 00062784

  
Sitaram Somani  
Director  
DIN: 00005017



Annexure- 2

Form No. MR -3

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

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

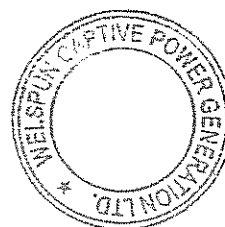
To,  
The Members,  
**WELSPUN CAPTIVE POWER GENERATION LIMITED,**  
Welspun City, Village Versamedi,  
Anjar - 370110,  
Gujarat, India.  
CIN: U40100GJ2010PLC060502

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, 2016 ('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, 2016 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') are not applicable to the company, since the company is not listed on any stock exchange.

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 approved by the Central Government;
- (ii) Listing Agreements / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with Bombay Stock Exchange Limited and The National Stock Exchange of India Limited. (Not applicable to the Company during the audit period since the company is not listed on any stock exchange)

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

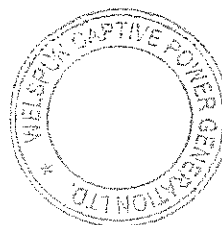
I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non - Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 through 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.

I further report that during the year under review, the terms of 98,462,012 6% Non Cumulative Redeemable Preference Shares of Rs.10/- each, of the Company were varied by special resolution passed at the EGM of the Company held on March 9, 2016.



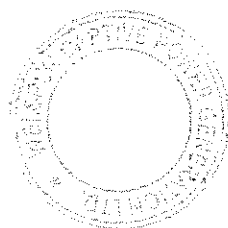
The Company has complied with the provisions of the Companies Act, 2013, The Secretarial Standards, and all other applicable provisions in the process of variation of shares.

During the year under review, authority to borrow moneys (apart from and in addition to temporary loans (including working capital facilities obtained from the Company's bankers in the ordinary course of business) not exceeding Rs. 700 Crore (Moneys to be borrowed including moneys already borrowed exceed sum of paid up capital and free reserves) being given to Board of Directors by special resolution passed under Section 180(1)(c) at the EGM of the Company held on March 9, 2016. The Company has complied with the provisions of the Companies Act, 2013, The Secretarial Standards, and all other applicable provisions in the process of authorising Board of directors to borrow money exceeding the limit specified under Section 180(1)(c) of the Companies Act, 2013.

During the year under review, authority to create mortgage, pledge and/or charge of all or any of the immovable and/or movable properties of the Company for securing any loans (including temporary loans and working capital facilities obtained from Company's bankers in ordinary course of business) subject to the condition that the principal amount of such loans shall not exceed Rs. 700 Crore, being given to Board of Directors by special resolution passed under Section 180(1)(a) at the EGM of the Company held on March 9, 2016. The Company has complied with the provisions of the Companies Act, 2013, The Secretarial Standards, and all other applicable provisions in the process of authorising Board of directors to create the aforesaid charge, pledge or mortgage under Section 180(1)(c) of the Companies Act, 2013.

During the year under review, Board of Directors of the Company had approved to issue Secured, Redeemable, Non-Convertible Debentures aggregating to Rs. 220 Crores in one or more tranches on private placement basis by resolution passed at the Board meeting held on February 29, 2016 and also approved to allot the aforesaid debentures at the resolution passed at the Board meeting held on March 30, 2016 and the Non-Convertible Debentures is listed on Whole sale Debt Market of National Stock Exchange. The Company has complied with the provisions of the Companies Act, 2013, The Secretarial Standards, and all other applicable provisions in the process of issue and allotment of aforesaid debentures.

Uday Sohoni  
Practising Company Secretary  
ACS 29359, CP 10916  
April 25, 2016  
Mumbai



### Annexure - 3

#### Conservation of energy, technology absorption and foreign exchange earnings and outgo

##### A. Conservation of Energy

(i) Steps taken or impact on conservation of energy:

The Company is continuously engaged in the process of energy conservation through continuous improvements in operational and maintenance practice.

Following measure have been taken by the Company:

-Power Saving was achieved through slight modification in coal feeding system by changing grizzle hopper screen

(ii) the steps taken by the company for utilizing alternate sources of energy: Nil

(iii) the capital investment on energy conservation equipment's: - NIL

##### B. Technology Absorption

(i) The efforts made towards technology absorption: Nil

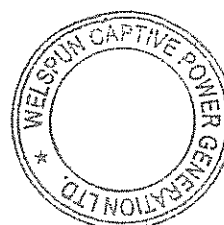
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Nil

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

(iv) Expenditure on R&D: Nil

##### C) Foreign exchange earnings and Outgo:

Foreign exchange earnings and outgo:	Used : Rs. 772.72 Mn
Total foreign exchange used and earned.	Earned : Rs. 0.00 Mn




Annexure - 4  
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)

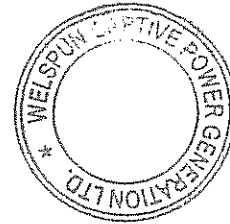
Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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: NIL

For and on behalf of the Board of Directors

  
Devendra Patil  
Director  
DIN: 00062784

  
Sitaram Somani  
Director  
DIN: 00005017



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF WELSPUN CAPTIVE POWER GENERATION LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Welspun Captive Power Generation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. 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.

#### Opinion

8. 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 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, 2016, and its profit and its cash flows for the year ended on that date.

Price Waterhouse Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028  
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Captive Power Generation Limited

Report on the Financial Statements

Page 2 of 2

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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, and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i) The Company does not have any pending litigations as at March 31, 2016 which would impact its financial position.
    - ii) The Company has long-term contracts as at March 31, 2016 for which there are no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2016.
    - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/500016



Mehul Desai  
Partner  
Membership Number 103211

Mumbai  
April 25, 2016



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Welspun Captive Power Generation Limited on the financial statements as of and for the year ended March 31, 2016

Page 1 of 2

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Welspun Captive Power Generation Limited ("the Company") as of March 31, 2016 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

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 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.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Welspun Captive Power Generation Limited on the financial statements as of and for the year ended March 31, 2016

Page 2 of 2

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Mehul Desai  
Partner  
Membership Number 103211

Mumbai  
April 25, 2016

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Captive Power Generation Limited on the financial statements as of and for the year ended March 31, 2016

Page 1 of 2

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - (c) The title deeds of immovable properties, as disclosed in Note 11 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, duty of customs, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
  - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of debentures issued through private placement and term loans have been applied for the purposes for which they were obtained. These debentures subsequently listed on the wholesale Debt Market Segment of the National Stock Exchange ("NSE") on April 13, 2016.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Captive Power Generation Limited on the financial statements as of and for the year ended March 31, 2016

Page 2 of 2

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Mehul Desai  
Partner  
Membership Number 103211

Mumbai  
April 25, 2016

**WELSPUN CAPTIVE POWER GENERATION LIMITED**

**BALANCE SHEET AS AT MARCH 31, 2016**

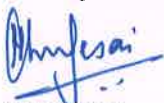
	Note	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	1,280,000,000	1,280,000,000
Reserves and Surplus	4	82,148,564	(128,292,012)
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	1,980,000,000	2,217,263,491
Long-term Provisions	6	2,132,391	1,798,993
<b>Current liabilities</b>			
Short-term Borrowings	7	-	255,832,844
Trade Payables	8		
Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		60,096,775	67,361,699
Other Current Liabilities	9	237,133,660	386,404,721
Short-term Provisions	10	273,404	3,272,230
<b>Total</b>		<b>3,641,784,793</b>	<b>4,083,641,966</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	11	2,640,165,074	3,013,478,241
Intangible Assets	12	382,851	484,851
Capital Work-in-Progress		481,921	30,550,324
Deferred Tax Assets (Net)	13	175,626,928	342,975,819
Long-term Loans and Advances	14	115,328,687	9,588,708
Other Non-current Assets	15	5,400,216	1,237,556
<b>Current Assets</b>			
Current Investments	16	-	49,170,000
Inventories	17	102,727,519	105,955,062
Trade Receivables	18	346,031,806	270,079,539
Cash and Bank Balances	19	207,962,856	221,423,939
Short-term Loans and Advances	20	47,483,415	38,188,672
Other Current Assets	21	193,520	509,255
<b>Total</b>		<b>3,641,784,793</b>	<b>4,083,641,966</b>

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

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

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No: 012754N/N500016



Mehul Desai  
Partner  
Membership No. 103211

Place: Mumbai  
Date: April 25, 2016

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



Malay Mahanti  
Director and CFO  
DIN: 07005344

Place: Mumbai  
Date: April 25, 2016



D. K. Patil  
Director  
DIN: 00062784



Shashikant Thorat  
Company Secretary

**WELSPUN CAPTIVE POWER GENERATION LIMITED**

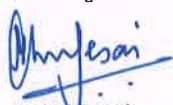
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

	Note	Year ended March 31, 2016 Rs.	Year ended March 31, 2015 Rs.
<b>Revenue from Operations</b>	22	2,863,085,322	2,670,397,127
<b>Other Income</b>	23	18,465,176	17,668,565
<b>Total Revenue</b>		<u>2,881,550,498</u>	<u>2,688,065,692</u>
<b>Expenses</b>			
Cost of materials consumed	24	1,282,048,109	1,387,470,451
Purchases of Traded goods	25	65,358,153	35,516,999
Employee benefits expense	26	63,767,664	54,133,075
Finance costs	27	282,392,920	350,296,348
Depreciation and amortisation expense	28	416,359,593	474,487,887
Other expenses	29	275,325,715	284,826,708
<b>Total expenses</b>		<u>2,385,252,154</u>	<u>2,586,731,468</u>
<b>Profit before tax</b>		496,298,344	101,334,224
<b>Tax Expense</b>			
- Current Tax			
Minimum Alternate Tax (MAT)		105,946,000	9,359,000
Less: MAT Credit Entitlement		<u>(105,946,000)</u>	<u>(9,359,000)</u>
- Deferred Tax		167,348,891	(8,922,584)
<b>Profit for the year</b>		<u>328,949,453</u>	<u>110,256,808</u>
<b>Earnings Per Equity Share [Nominal value per share: Rs. 10 (March 31 2015 : Rs. 10)]</b>	34		
- Basic and diluted		11.14	3.77

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

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

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No: 012754N/N500016



**Mehul Desai**  
Partner  
Membership No. 103211

Place: Mumbai  
Date: April 25, 2016

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



**Malay Mahanti**  
Director and CFO  
DIN: 07005344

Place: Mumbai  
Date: April 25, 2016



**D. K. Patil**  
Director  
DIN: 00062784



**Shashikant Thorat**  
Company Secretary

**WELSPUN CAPTIVE POWER GENERATION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

	For the Year ended March 31, 2016 Rs.	For the Year ended March 31, 2016 Rs.	For the Year ended March 31, 2015 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax		496,298,344	101,334,224
Adjustments for :			
Depreciation and amortisation expense	416,359,593		474,487,887
Loss on Redemption/ Sale of Units in Mutual Funds	-		30,767
Profit on Sale of Investments	(14,300,362)		(519,663)
Profit on Sale of Fixed Assets	(3,000)		(2,800)
Dividend Income	(236,106)		(7,985,528)
Interest Income	(3,840,182)		(9,160,574)
Discounting and Bank Charges	4,860,363		4,565,055
Interest Expenses	277,532,557		345,731,293
		680,372,863	807,146,437
Operating Profit Before Working Capital Changes		1,176,671,207	908,480,661
<b>Adjustments for changes in working capital :</b>			
Trade and Other Receivables	(75,952,267)		(45,205,746)
Loans and Advances	(8,736,987)		(19,565,388)
Inventories	3,227,543		16,630,297
Liabilities and Provisions	(6,327,721)		(33,995,921)
		(87,789,432)	(82,136,758)
<b>Cash Flow From Operations</b>		1,088,881,775	826,343,903
Income Tax paid		(109,547,172)	(6,116,636)
<b>Net Cash Flow from Operating Activities</b>		979,334,603	820,227,267
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets and Capital Work-in-Progress		(12,587,281)	(113,206,650)
Proceeds from Sale of Fixed Assets		3,000	-
(Investment in) / realisation of Fixed Deposits and Margin Money		(3,636,898)	5,732,514
Realisation from / (Purchase of) Investment (Net)		63,470,362	157,461,565
Dividend Received		236,106	7,985,528
Interest Received		4,155,917	9,201,287
<b>Net Cash Flow from Investing Activities</b>		51,641,206	67,174,244
<b>C. CASH FLOW USED IN FINANCING ACTIVITIES</b>			
Dividend Paid		(98,462,012)	-
Dividend Distribution Tax		(20,046,866)	-
Proceeds from Issue of Shares		-	53,700,000
Proceeds from Long-term Borrowings/ (Repayment)		(386,807,401)	(309,543,911)
Proceeds from Short-term Borrowings/ (Repayment)		(255,832,844)	(118,426,313)
Interest and Other Finance Expenses		(282,762,007)	(352,988,591)
<b>Net Cash Flow used in Financing Activities</b>		(1,043,911,130)	(727,258,815)
<b>Net increase in cash and cash equivalents ( A + B + C )</b>		(12,935,321)	160,142,696
Cash and Cash Equivalents at the beginning of the year		212,034,230	51,891,533
Cash and Cash Equivalents at the end of the year		199,098,909	212,034,230
<b>Cash and cash equivalents comprise of:</b>			
Cash on Hand		252,935	62,154
Bank balances			
- In current accounts		94,110,857	96,972,076
- Fixed deposits with maturity less than 3 months		104,735,117	115,000,000
<b>Total</b>		199,098,909	212,034,230

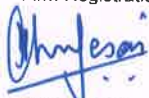
**NOTE :**

1. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.
2. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statement' prescribed under Companies (Accounting Standard) Rules, 2006.

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

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No: 012754N/N500016

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



Mehul Desai  
Partner  
Membership No. 103211



Malay Mahanti  
Director and CFO  
DIN: 07005344




D. K. Patil  
Director  
DIN: 00062784

Shashikant Thorat  
Company Secretary

Place: Mumbai  
Date: April 25, 2016

Place: Mumbai  
Date: April 25, 2016

# WELSPUN CAPTIVE POWER GENERATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### 1. General Information

Welspun Captive Power Generation Limited ("the Company") was incorporated on April 30, 2010. The Company is engaged in the business of generation and sale of power and steam mainly to its group companies. The Company has commissioned its 80 megawatt power generation facility at Anjar, Gujarat on April 17, 2013. The Company is a public limited company and is listed on the Wholesale Debt Market of National Stock Exchange w.e.f. April 13, 2016.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply.

Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 01, 2016.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

#### 2.2 Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets as follows:

Asset	Useful life
Office Equipment	5 years
Furniture and Fixtures	10 years
Computers	3 years except Networking equipments which are depreciated over useful life of 4 years
Vehicles	10 years
Factory Buildings	28.5 years
Office Building	30 years
Roads, fencing, ashpond, etc.	Ranging between 3 years to 5 years

Plant and Machinery is depreciated on written down value method over the useful life ranging between 9 years to 20 years 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 estimate useful lives of Plant and Machinery based on a technical evaluation, has not undergone a change on account of transition to the Companies Act, 2013.

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

#### 2.3 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets comprise of computer software which is amortised on straight-line method over a period of five years. Cost of software includes installation and commissioning of energy management software.

#### 2.4 Impairment

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.





WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.5 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.6 Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments, such reduction being determined and made for each investment individually.

2.7 Inventories

Inventories are stated at lower of cost and net realisable value. Cost includes related expenses incurred in bringing inventory to its present location and condition. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of the business, less the estimated costs necessary to make the sale.

2.8 Current Tax and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. In situations, where the Company has unabsorbed depreciation or carry forward losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.9 Employee Benefits

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.

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the statement of Profit and Loss in the year in which they arise.

Gratuity Fund is recognised by the income tax authorities and is administered through trustees. The Employee's Gratuity Trust takes group gratuity policies with insurance companies.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

2.10 Foreign Currency Translation

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are restated at the end of accounting period.

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

2.11 Revenue Recognition

Revenue from supply of power is recognised on an accrual basis based on the billing to customers in accordance with the terms of agreements entered with them. Revenue from supply of steam is recognised on an accrual basis.

2.12 Other Income

Interest: Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.  
Dividend: Dividend income is recognised when the right to receive dividend is established.

2.13 Provisions and Contingent Liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: 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.

2.14 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

2.15 Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period, if any. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



**WELSPUN CAPTIVE POWER GENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	<u>As at March 31, 2016</u>	<u>As at March 31, 2015</u>
	Rs.	Rs.
<b>Note 3 : Share Capital</b>		
Authorised		
30,000,000 (March 31, 2015 : 30,000,000) Equity Shares of Rs. 10 each	300,000,000	300,000,000
100,000,000 (March 31, 2015 : 100,000,000) 10% Non- Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up)	1,000,000,000	1,000,000,000
<b>Total</b>	<u>1,300,000,000</u>	<u>1,300,000,000</u>
Issued, Subscribed and Paid Up		
29,537,988 (March 31, 2015 : 29,537,988) Equity Shares of Rs. 10 each fully paid up	295,379,880	295,379,880
98,462,012 (March 31, 2015 : 98,462,012) 10% Non- Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up (Refer Note 3.1)	984,620,120	984,620,120
<b>Total</b>	<u>1,280,000,000</u>	<u>1,280,000,000</u>

**(a) Reconciliation of number of shares**

**Equity Shares :**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
Balance as at the beginning of the year	29,537,988	295,379,880	28,298,988	282,989,880
Add : Shares issued during the year	-	-	1,239,000	12,390,000
<b>Balance as at the end of the year</b>	<b>29,537,988</b>	<b>295,379,880</b>	<b>29,537,988</b>	<b>295,379,880</b>

**Preference Shares :**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
Balance as at the beginning of the year	98,462,012	984,620,120	94,331,012	943,310,120
Add : Shares issued during the year	-	-	4,131,000	41,310,000
<b>Balance as at the end of the year</b>	<b>98,462,012</b>	<b>984,620,120</b>	<b>98,462,012</b>	<b>984,620,120</b>

**(b) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	%	Number of Shares	%
<b>Equity Shares :</b>				
Welspun India Limited	20,084,998	68.00	20,084,998	68.00
Welspun Corp Limited (Refer Note 3.2)	5,833,500	19.75	5,316,430	18.00
Welspun Steel Limited (Refer Note 3.2)	2,954,686	10.00	4,136,560	14.00
<b>10% Non- Cumulative Redeemable Preference Shares</b>				
Welspun India Limited	66,956,672	68.00	66,956,672	68.00
Welspun Corp Limited (Refer Note 3.2)	19,443,186	19.75	17,720,021	18.00
Welspun Steel Limited (Refer Note 3.2)	9,846,656	10.00	13,785,319	14.00

**(c) Rights, preferences and restrictions attached to shares**

**Equity Shares :**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend, in case proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Preference shares:**

Preference shares will be redeemable at the expiry of 19 years from the date of allotment or at the option of the Company. The Option may be exercised in full or in part by the Company. The Shares shall neither be converted into Equity Shares of the Company nor shall carry any voting rights in the Company except as provided under section 47 of the Companies Act, 2013 to the extent applicable.

**Note:**

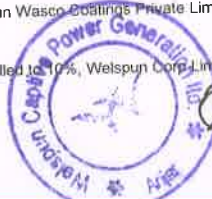
**3.1 Non-Cumulative Redeemable Preference Shares**  
Pursuant to the Board Resolution dated February 29, 2016 and approval of shareholders in an extraordinary general meeting dated March 09, 2016, 98,462,012 6% Non-Cumulative Redeemable Preference Shares were converted into 98,462,012 10% Non-Cumulative Redeemable Preference Shares of Rs. 10 each with effect from April 01, 2015.

**3.2 Share Transfer Agreement**

Pursuant to the Share Purchase Agreement dated October 28, 2015, Welspun Corp Limited purchased 517,070 Equity Shares and 1,723,165 10% Non Cumulative Redeemable Preference Shares of the Company from Welspun Steel Limited.

Further, pursuant to the Share Purchase Agreement dated December 30, 2015, Welspun Waste Coatings Private Limited Purchased 684,804 Equity Shares and 2,215,498 10% Non Cumulative Redeemable Preference Shares of the Company from Welspun Steel Limited.

Upon completion of the above transactions, Welspun Steel Limited's shareholding equalled to 10%, Welspun Corp Limited's shareholding equalled to 19.75% and Welspun Waste Coatings Private Limited's shareholding equalled to 2.25%.



**WELSPUN CAPTIVE POWER GENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>Note 4 : Reserves and Surplus</b>		
<b>Debenture Redemption Reserve</b>		
Balance as at the beginning of the year	-	-
Add: Amount transferred from Surplus in Statement of Profit and Loss during the year	55,000,000	-
Balance as at the end of the year	55,000,000	-
<b>Surplus/ (Deficit) in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(128,292,012)	(238,528,451)
Less: Fixed Assets fully depreciated on revision of useful life (Refer Note 4.1)	-	(20,369)
Add : Profit for the year	328,949,453	110,256,808
Less: Appropriations	(98,462,012)	-
Dividend on Preference Shares for the year	(20,046,866)	-
Dividend Distribution Tax on Dividend on Preference Shares	(55,000,000)	-
Transfer to Debenture Redemption Reserve	27,148,564	(128,292,012)
Balance as at the end of the year	82,148,564	(128,292,012)
<b>Total</b>	<b>82,148,564</b>	<b>(128,292,012)</b>

**Note 4.1:** In the previous year, the Company realigned the remaining useful lives of few assets in accordance with the rates prescribed under Schedule II to the Act. Consequently, in case of assets which completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to Rs. 20,369 (net of deferred tax of Rs. 10,488) had been adjusted to Retained Earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives.

**Note 5 : Long-term Borrowings**

**Secured :**

**Debentures :**

1980 (March 31, 2015: Nil) 9.84% Redeemable Non-Convertible Debentures [Refer Note (a) below] 1,980,000,000

**Term Loans :**

Rupee Term Loan from Bank [Refer Note (b) below] 2,217,263,491

**Total**

**1,980,000,000** **2,217,263,491**

**Note :**

**(a) Nature of security and terms of repayment for secured debentures:**

On March 30, 2016, the Company issued 2,200 rated, listed, secured, redeemable, Non-Convertible Debentures of Rs. 1,000,000 each aggregating to Rs. 2,200,000,000. The debentures bear an interest at an agreed upon annual rate of 9.84% compounded monthly and payable annually. The debentures are guaranteed by Welspun India Limited. Also, the debentures are secured by way of first charge on immovable properties and hypothecation over the bank accounts, investments and any accruals or profits accumulating as a result of such investments and movable fixed assets of the Company. These Debentures subsequently listed on the Wholesale Debt Market Segment of the National Stock Exchange (NSE) on April 13, 2016.

**STRPP Structure and Redemption of Non Convertible Debentures are set out as below:**

STRPP	Redemption Date	Amount (Rs.)
1	At the end of the 1st year from date of allotment i.e. March 30, 2017. (shown as Debenture Redeemable within one year under Note 9 "Other Current Liabilities")	220,000,000
2	At the end of the 2nd year from date of allotment i.e. March 30, 2018.	220,000,000
3	At the end of the 38th month from date of allotment i.e. May 30, 2019.	880,000,000
4	At the end of the 5th year from date of allotment i.e. March 30, 2021	880,000,000

**(b) Nature of security and terms of repayment for secured borrowings (other than debentures):**

	Nature of Security	Terms of Repayment
	First charge on all present and future immovable properties and movable fixed assets of the Project. On second charge basis over the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital pertaining to the Project.	The Term Loan was originally Re-payable in 32 Quarterly equal instalments commencing from April 30, 2014, Rate of Interest 12.25% - 12.50%. However, the Company has entered into revised terms of repayment wherein the maturity date is rescheduled to March 31, 2016. The Company has repaid whole amount of loan on March 31, 2016.

The loan was guaranteed by Welspun Corp Limited, Welspun India Limited and Welspun Steel Limited in the following proportion:

Guarantor	As at 2015-16 (%)	As at 2014-15 (%)
Welspun Steel Limited	-	50.00
Welspun India Limited	100.00	30.00
Welspun Corp Limited	-	20.00

The above proportion has been changed w.e.f October 20, 2015.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>Note 6 : Long-term Provisions</b>		
Provision for employee benefits (Refer Note 26)	2,132,391	1,798,993
Provision for Compensated Absences		
<b>Total</b>	<u>2,132,391</u>	<u>1,798,993</u>

**Note 7 : Short-term Borrowings**

Secured :

Working Capital Loan from Banks (Refer Note below)		255,832,844
<b>Total</b>		<u>255,832,844</u>

**Note :**

The working capital loans, which includes buyer's credit from banks are secured by hypothecation of Inventories, book debts and receivables of the Company and second charge on immovable properties of the Company.

**Note 8 : Trade Payables**

Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note below)		
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	60,096,775	67,361,699
<b>Total</b>	<u>60,096,775</u>	<u>67,361,699</u>

**Note:** There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2016. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.

**Note 9 : Other Current Liabilities**

Current Maturities of Long Term Debt		369,543,910
- Rupee Term Loans from Banks [Refer Note 5(b)]		
- Debentures Redeemable within One Year [Refer Note 5(a)]	220,000,000	
Interest Accrued but not due on Borrowings		1,555,279
Interest Accrued but not due on Debentures	1,186,192	
Advances from Customers	88,686	88,813
Bank Overdraft		93,716
Statutory dues (including Provident Fund and Tax deducted at Source)	5,047,575	4,444,342
Employee Benefits Payable	326,972	328,460
Deposits received from Vendors	50,000	
Retention Money Payable	10,434,235	10,350,201
<b>Total</b>	<u>237,133,660</u>	<u>386,404,721</u>

**Note 10 : Short-term Provisions**

Provision for employee benefits (Refer Note 26)	273,404	227,501
- Provision for Compensated Absences		
<b>Other Provisions</b>		
Provision for Taxation - Minimum Alternate Tax [Net of Advance Tax Nil (March 31, 2015 : Rs. 6,900,000) and Tax Deductible at Source Nil (March 31, 2015: Rs. 93,802)]		3,044,729
<b>Total</b>	<u>273,404</u>	<u>3,272,230</u>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note 11: Tangible Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK			
	As at March 31, 2015	Additions during the year	Disposals / Adjustments during the year	As at March 31, 2016	Accumulated upto March 31, 2015	For the Year	On Disposals during the year	Accumulated upto March 31, 2016	NET BLOCK As at March 31, 2016
<b>Own Assets:</b>									
Building	683,638,775	8,346,896	-	691,985,671	47,611,510	29,048,704	-	76,660,214	615,325,457
Plant and Machinery	3,321,273,813	34,033,666	-	3,355,307,479	948,980,951	385,335,481	-	1,334,316,432	2,020,991,047
Vehicles	50,000	12,550	-	62,550	12,454	17,300	-	29,754	32,796
Furniture and Fixtures	1,453,750	73,600	-	1,527,350	463,724	172,030	-	635,754	891,596
Office Equipment	4,560,819	350,522	5,000	4,906,341	1,465,475	1,140,421	5,000	2,600,896	2,305,445
Computers	2,304,461	127,192	-	2,431,653	1,269,263	543,657	-	1,812,920	618,733
<b>Total</b>	<b>4,013,281,618</b>	<b>42,944,426</b>	<b>5,000</b>	<b>4,056,221,044</b>	<b>999,803,377</b>	<b>416,257,593</b>	<b>5,000</b>	<b>1,416,055,970</b>	<b>2,640,165,074</b>

PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK				
	As at March 31, 2014	Additions during the year	Disposals / Adjustments during the year	As at March 31, 2015	Accumulated upto March 31, 2014	For the Year	Transferred to Reserves (Refer Note 4.1)	On Disposals during the year	Accumulated upto March 31, 2015	NET BLOCK As at March 31, 2015
<b>Own Assets:</b>										
Building	626,394,482	57,244,293	-	683,638,775	19,635,922	27,975,588	-	-	47,611,510	636,027,265
Plant and Machinery	3,277,537,949	43,735,864	-	3,321,273,813	504,358,142	444,622,809	-	-	948,980,951	2,372,292,862
Vehicles	50,000	-	-	50,000	7,704	4,750	-	-	12,454	37,546
Furniture and Fixtures	1,387,764	65,986	-	1,453,750	303,590	160,134	-	-	463,724	990,026
Office Equipment	4,485,072	79,247	3,500	4,560,819	353,209	1,115,766	-	3,500	1,465,475	3,095,344
Computers	2,192,238	112,223	-	2,304,461	654,717	583,689	30,857	-	1,269,263	1,035,198
<b>Total</b>	<b>3,912,047,505</b>	<b>101,237,613</b>	<b>3,500</b>	<b>4,013,281,618</b>	<b>525,313,284</b>	<b>474,462,736</b>	<b>30,857</b>	<b>3,500</b>	<b>999,803,377</b>	<b>3,013,478,241</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note 12: Intangible Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK As at March 31, 2016	
	As at March 31, 2015	Additions during the year	Disposals / Adjustments during the year	As at March 31, 2016	Accumulated upto March 31, 2015	For the Year		On Disposals during the year
Software	510,002	-	-	510,002	25,151	102,000	-	127,151
<b>Total</b>	<b>510,002</b>	<b>-</b>	<b>-</b>	<b>510,002</b>	<b>25,151</b>	<b>102,000</b>	<b>-</b>	<b>127,151</b>

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK As at March 31, 2015	
	As at March 31, 2014	Additions during the year	Disposals / Adjustments during the year	As at March 31, 2015	Accumulated upto March 31, 2014	For the Year		On Disposals during the year
Software	-	510,002	-	510,002	-	25,151	-	25,151
<b>Total</b>	<b>-</b>	<b>510,002</b>	<b>-</b>	<b>510,002</b>	<b>-</b>	<b>25,151</b>	<b>-</b>	<b>25,151</b>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>Note 13 : Deferred Tax Assets (Net)</b>		
Deferred Tax Asset arising on account of timing differences in:		
- Provision for Employee Benefits	832,597	688,805
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	1,746,865	1,510,632
- Unabsorbed depreciation and carry forward loss as per the Income Tax Act, 1961	379,969,149	588,494,136
Deferred Tax Liability arising on account of Timing differences in:		
- Depreciation	206,921,683	247,717,754
<b>Total</b>	<b>175,626,928</b>	<b>342,975,819</b>
The Company has recognised net deferred tax assets on the basis of virtual certainty supported by convincing evidence that they will be realised. The Company has binding agreements with its customers which will generate sufficient profits to realise these deferred tax assets. Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.		
<b>Note 14 : Long-term Loans and Advances</b>		
Unsecured, considered good (unless otherwise stated):		
Capital Advances	-	204,708
Security Deposits	25,000	25,000
Other Loans and Advances		
MAT Credit Entitlement	115,303,687	9,359,000
<b>Total</b>	<b>115,328,687</b>	<b>9,588,708</b>
<b>Note 15 : Other Non-current Assets</b>		
- Fixed deposits with Banks with maturity period more than 12 months*	5,400,216	1,237,556
<b>Total</b>	<b>5,400,216</b>	<b>1,237,556</b>
* Held as lien by Banks against letter of credit facility and bank guarantee facilities.		
<b>Note 16 : Current Investments</b>		
b) Non Trade - (Quoted)		
(At Cost or market value whichever is less)		
Investment in Bonds		
Bonds		
(March 31, 2015: 50) 8.15% PGC Bonds of Face value of Rs.1,000,000 each	-	49,170,000
<b>Total</b>	<b>-</b>	<b>49,170,000</b>
Aggregate amount of quoted investments	-	49,170,000
Market Value of quoted investments	-	49,460,000
<b>Note 17 : Inventories</b>		
Raw Materials (includes in transit and lying at third party: Rs. 53,840,829, Previous Year: Rs. 56,790,172)	59,734,610	80,803,219
Stores and Spares	42,992,909	25,151,843
<b>Total</b>	<b>102,727,519</b>	<b>105,955,062</b>
<b>Note 18 : Trade Receivables</b>		
Unsecured, Considered Good:		
Debts Outstanding for a period exceeding six months from the date they are due for payment	615,743	13,146
Other Debts	345,416,063	270,066,393
<b>Total</b>	<b>346,031,806</b>	<b>270,079,539</b>





WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
<b>Note 19 : Cash and Bank Balances</b>		
Cash and Cash Equivalents	252,935	62,154
Cash on Hand		
Bank balances	94,110,857	96,972,076
- In current accounts	104,735,117	115,000,000
- Fixed deposits with maturity less than 3 months		
	<u>199,098,909</u>	<u>212,034,230</u>
Other Bank balances	8,863,947	9,389,709
- Fixed deposits with maturity more than 3 months but less than 12 months *		
	<u>207,962,856</u>	<u>221,423,939</u>
<b>Total</b>		

\* Includes Rs 5,317,809 (March 31, 2015 : Rs. 4,167,426) held as lien by Banks against letter of credit facility and bank guarantee facilities.

**Note 20 : Short-term Loans and Advances**

Unsecured, considered good, unless otherwise stated :

Balances with Government Authorities	36,765,969	25,588,110
Advances Recoverable in Cash or in Kind or for Value to be Received	627,801	4,914,293
<b>Other Loans and Advances</b>	9,064,019	7,283,017
Prepaid Expenses	169,420	104,802
Advance to Employees	378,309	298,450
Tax Deducted at Source	477,897	-
Advance Income Tax [Net of Provision of Rs. 105,946,000 (March 31, 2015: Nil)]		
	<u>47,483,415</u>	<u>38,188,672</u>
<b>Total</b>		

**Note 21 : Other Current Assets**

Unsecured, considered good:

Interest Accrued - Fixed Deposits	193,520	252,474
Interest Accrued - Bonds	-	256,781
	<u>193,520</u>	<u>509,255</u>
<b>Total</b>		



**WELSPUN CAPTIVE POWER GENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
	Rs.	Rs.
<b>Note 22 : Revenue from Operations</b>		
Revenue from Sale of Power	2,449,979,674	2,249,900,498
Revenue from Sale of Steam	345,763,000	381,717,200
	<u>2,795,742,674</u>	<u>2,631,617,698</u>
<b>Other Operating Revenue</b>		
Sale of Coal	65,358,231	36,190,000
Sale of Fly Ash	1,176,148	1,018,692
Sale of Scrap	808,269	1,570,737
	<u>67,342,648</u>	<u>38,779,429</u>
<b>Revenue from Operations</b>	<u><u>2,863,085,322</u></u>	<u><u>2,670,397,127</u></u>
<b>Note 23 : Other Income</b>		
Interest Income		
On Fixed Deposits	1,369,444	858,197
On Bonds	2,459,076	8,295,460
On Income Tax Refund	11,662	6,916
Dividend Income	236,106	7,985,528
Profit on Sale of Investments	14,300,362	519,663
Profit on Sale of Fixed Assets	3,000	2,800
Net gain on foreign currency transaction and translation	85,526	-
<b>Total</b>	<u><u>18,465,176</u></u>	<u><u>17,668,565</u></u>
<b>Note 24 : Cost of materials consumed</b>		
Raw material consumed		
Opening inventory	80,803,219	99,906,333
Add: Purchases	1,260,979,500	1,368,367,337
Less : Inventory at the end of the year	59,734,610	80,803,219
<b>Total</b>	<u><u>1,282,048,109</u></u>	<u><u>1,387,470,451</u></u>
<b>Note 25 : Purchase of Traded goods</b>		
Purchase of Coal	65,358,153	35,516,999
<b>Total</b>	<u><u>65,358,153</u></u>	<u><u>35,516,999</u></u>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Year ended March 31, 2016 Rs.	Year ended March 31, 2015 Rs.
<b>Note 26 : Employee Benefits Expense</b>		
Salaries, Wages, Allowances and Other Benefits	59,763,754	49,252,806
Contribution to Provident and Other Funds	2,835,323	2,584,651
Staff and Labour Welfare	1,168,587	2,295,618
<b>Total</b>	<b>63,767,664</b>	<b>54,133,075</b>

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

**I Defined Contribution Plans**

	2015-2016	2014-2015
During the year, the Company has recognised the following amounts in the Statement of - Employers' Contribution to Provident Fund	2,835,323	2,584,651

**II Defined Benefit Plan**

**Contribution to Gratuity Fund**

The Company operates a gratuity plan through the "Welspun Captive Power Generation Limited Employees Gratuity Fund". 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. The benefits vest after five years of continuous service.

**a. Major Assumptions**

	2015-2016	2014-2015
% p.a.		
Discount Rate	7.86	7.92
Expected Rate of Return on Plan Assets	7.86	7.92
Salary Escalation Rate @	8% for 5 years and 6% thereafter	8% for 5 years and 6% thereafter

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

**b. Present Value of Defined Benefit Obligation**

	2015-2016	2014-2015
Balance at the beginning of the year	4,292,671	3,171,961
Current Service Cost	762,103	634,858
Interest Cost	339,980	297,847
Benefit paid directly by the Employer	(172,498)	-
Benefits paid from fund	(432,767)	(304,614)
Actuarial Loss/ (gain) on Obligations- Due to change in financial assumptions	34,207	554,848
Actuarial Loss/ (gain) on Obligations- Due to experience	897,808	(62,229)
<b>Balance at the end of the year</b>	<b>5,721,504</b>	<b>4,292,671</b>

(Amount in Rs.)

**c. Fair Value of Plan Assets**

	2015-2016	2014-2015
Balance at the beginning of the year	4,646,951	4,259,773
Expected Return on Plan Assets	368,039	370,600
Actuarial (Loss)/ gain on Obligations- Due to experience	(43,244)	321,192
Contributions	1,233,148	-
Benefits paid	(432,767)	(304,614)
<b>Balance at the end of the year</b>	<b>5,772,127</b>	<b>4,646,951</b>

(Amount in Rs.)

**d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets**

	As at March 31, 2016	As at March 31, 2015
Present Value of Funded Obligation	5,721,504	4,292,671
Fair Value of Plan Assets	5,772,127	4,646,951
Funded Status	5,772,127	4,646,951
Amount not recognised as Assets	(50,623)	(354,280)
Present Value of Unfunded Obligation	-	-

(Amount in Rs.)

**e. Expenses Recognised in the Statement of Profit and Loss**

	2015-2016	2014-2015
Current Service Cost	762,103	634,858
Interest Cost	339,980	297,847
Expected Return on Plan Assets	(368,039)	(370,600)
Net Actuarial Loss/ (gains) recognised in the year	975,259	(383,421)
Total expenses recognised in the Statement of Profit and Loss	1,709,303	178,684

\*Included in Employee Benefits Expense above

**f. Major Category of Plan Asset as a % of total Plan Assets**

	As at March 31, 2016	As at March 31, 2015
Insurer managed funds	100.00	100.00

**g. Amounts recognised in current year and previous years**

	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined Benefit obligation at the end of the year	5,721,504	4,292,671	3,171,961	564,142.00
Fair Value of Plan Assets	5,721,504	4,292,671	4,259,773	-
(Surplus)/ Deficit	-	-	(1,087,812)	564,412.00
Experience loss adjustments on plan liabilities	-	-	2,531,616	-

(Amount in Rs.)

**h. Expected Contribution to the funds in the next year**

	As at March 31, 2016	As at March 31, 2015
Gratuity	-	-

(Amount in Rs.)

**III Other Employee Benefit**

The liability for leave entitlement and compensated absences as at year end is Rs 2,405,795 (March 31, 2015: Rs. 2,026,494).

*[Handwritten Signature]*



**WELSPUN CAPTIVE POWER GENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

	Year ended March 31, 2016 Rs.	Year ended March 31, 2015 Rs.
<b>Note 27 : Finance Costs</b>		
Interest on Long term borrowings	270,816,845	341,973,443
Interest on Short Term borrowings	51,792	3,078,319
Other borrowing cost	6,297,500	-
Interest on shortfall of advance tax	366,420	679,531
Discounting and Bank Charges	4,860,363	4,565,055
<b>Total</b>	<b>282,392,920</b>	<b>350,296,348</b>
<b>Note 28 : Depreciation and amortisation expense</b>		
Depreciation on Tangible assets	416,257,593	474,462,736
Amortisation on Intangible assets	102,000	25,151
<b>Total</b>	<b>416,359,593</b>	<b>474,487,887</b>
<b>Note 29 : Other Expenses</b>		
Stores and Spares Consumed	54,815,292	71,002,226
Chimney Approval Fees	-	10,500,000
Contract Labour Charges	15,270,092	11,593,710
Water Charges	21,700,031	17,117,879
Repairs and Maintenance:		
Plant and Machinery	9,170,192	7,175,682
Others	5,902,938	173,097
Material Handling and Transport Charges	26,563,556	27,817,866
Transmission Charges	91,154,513	94,072,892
Rent	527,731	206,633
Debenture Issue Expenses	8,654,794	-
Rates and Taxes	22,400	2,100
Commission on Corporate Guarantee	20,353,691	23,252,292
Printing and Stationery	44,960	258,531
Travelling and Conveyance	1,943,034	1,942,956
Legal and Professional Charges	3,214,082	3,555,352
Security Expenses	2,467,909	1,705,307
Insurance	8,151,648	5,432,122
Communication	197,043	149,815
Director Sitting Fees	332,051	-
Net loss on foreign currency transaction and translation	-	4,883,320
Loss on Redemption/ Sale of Units in Mutual Funds	-	30,767
Auditors' Remuneration		
- As Auditors	900,000	750,000
- In other capacity - As Tax Auditors	125,000	100,000
- Other Services	90,000	-
- Out of Pocket Expenses	20,305	60,879
Miscellaneous	3,704,453	3,043,282
<b>Total</b>	<b>275,325,715</b>	<b>284,826,708</b>



**WELSPUN CAPTIVE POWER GENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**30 Capital Commitments**

Description	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)		6,074,262

**31 Contingent Liabilities**

Description	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Letter of Credit issued by Bank	21,297,712	5,762,304
Bank Guarantees	84,580,449	92,048,374
	<b>105,878,161</b>	<b>97,810,678</b>

**32 Value of Import, calculated on CIF basis**

Description	Year Ended March 31, 2016 Rs.	Year Ended March 31, 2015 Rs.
Raw Materials	1,034,078,243	1,094,637,614
	<b>1,034,078,243</b>	<b>1,094,637,614</b>

**33 Details of Consumption and Purchases**

(a) Details of Raw Materials consumed

Description	Year Ended March 31, 2016 Rs.	Year Ended March 31, 2015 Rs.
Coal	1,282,048,109	1,387,470,451
	<b>1,282,048,109</b>	<b>1,387,470,451</b>

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

(i) Raw Materials

Description	Year Ended March 31, 2016		Year Ended March 31, 2015	
	%	Rs.	%	Rs.
Imported	97%	1,238,388,020	97%	1,350,266,110
Indigenous	3%	43,660,089	3%	37,204,341
	100%	<b>1,282,048,109</b>	100%	<b>1,387,470,451</b>

(ii) Traded goods

Description	Year Ended March 31, 2016		Year Ended March 31, 2015	
	%	Rs.	%	Rs.
Imported	100%	65,358,153	100%	35,516,999
	100%	<b>65,358,153</b>	100%	<b>35,516,999</b>

(iii) Stores and Spares Consumed

Description	Year Ended March 31, 2016		Year Ended March 31, 2015	
	%	Rs.	%	Rs.
Imported	0%	193,580	0%	319,165
Indigenous	100%	54,621,712	100%	70,683,061
	100%	<b>54,815,292</b>	100%	<b>71,002,226</b>



**WELSPUN CAPTIVE POWER GENERATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**34 Earnings/ (Loss) per Share**

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Profit after tax	328,949,453	110,256,808
Weighted average number of equity shares outstanding during the year	29,537,988	29,215,509
Basic and Diluted Earning/ (Loss) per share	11.14	3.77
Nominal value of an equity share (Rs.)	10	10

**35 Segment Information**

(i) Information about Primary Business Segment

The Company is exclusively engaged in the business of generation and sale of Power and Steam, which in the context of Accounting Standard 17 on Segment Reporting, is considered to constitute a single primary 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 period are all as reflected in the financial statements for the year ended March 31, 2016 and as on that date.

(ii) Information about Secondary Geographical Segments:

The Company is exclusively engaged in sales to customers located in India. Consequently the Company does not have separate reportable geographical segments for March 2016.

**36 Related Party Disclosures**

(i) Names of related parties and nature of relationship:

- (a)
- |                                 |                           |
|---------------------------------|---------------------------|
| Enterprise where control exists |                           |
| Holding Company                 | Welspun India Limited     |
| Ultimate Holding Company*       | Krishiraj Trading Limited |

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

Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the year  
Welspun Steel Limited (WSL)  
Western Trade Links

- (c) Key Management Personnel\*  
Mr. Malay Mahanti  
Mr. S.R. Somani  
Mr. Anuj Burakia

\* No transactions during the year



**WELSPUN CAPTIVE POWER GENERATION LIMITED**

Notes to the financial statements for the year ended March 31, 2016

Note 36 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

PARTICULARS	Amount in Rs.							
	Welspun India Limited		Welspun Steel Limited		Western Trade Links		TOTAL	
	Current Year 2015-16	Previous Year 2014-15	Current Year 2015-16	Previous Year 2014-15	Current Year 2015-16	Previous Year 2014-15	Current Year 2015-16	Previous Year 2014-15
Transactions during the year								
Purchase of Goods/ Expenses incurred	228,450	135,500	55,123,899	11,987,045	23,453,383	-	78,805,732	12,122,545
Sale of Energy/Steam/Coal +	2,506,879,119	2,318,135,939	16,744,119	11,834,955	-	-	2,523,623,238	2,329,970,894
Purchase of Fixed Assets / Capital Goods	-	-	155,953	1,229,492	-	-	155,953	1,229,492
Water Expenses	21,640,613	8,188,303	-	-	-	-	21,640,613	8,188,303
Reimbursement Of Expenses incurred on behalf of the Company	-	-	276,904	3,587,282	-	-	276,904	3,587,282
Commission paid on Corporate Guarantee	12,504,865	6,975,688	5,604,708	11,626,146	-	-	18,109,573	18,601,834
Preference Dividend Paid	66,956,672	-	9,846,656	-	-	-	76,803,328	-
Issue of Equity Shares	-	8,424,850	-	1,735,120	-	-	-	10,159,970
Issue of Preference Shares	-	28,091,850	-	5,783,670	-	-	-	33,875,520
<b>Closing Balance</b>								
Trade Receivable	343,348,902	230,858,277	-	-	-	-	343,348,902	230,858,277
Trade Payable	7,246,609	1,566,952	12,490,084	4,672,042	3,784,059	-	23,520,752	6,238,995
Corporate Guarantee given on behalf of the Company	2,200,000,000	900,000,000	-	1,500,000,000	-	-	2,200,000,000	2,400,000,000

+ Amount is inclusive of taxes



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

37 Lease

Where the Company is a lessee:

Operating Lease

The Company has taken equipments under operating lease where agreements are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of the lease is generally of three years.

The aggregate rental expenses of all the operating leases for the year are Rs. 156,106 (Previous Year: Rs. Nil)

38 Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	As at March 31, 2016	As at March 31, 2015
Acceptances	Rs. Nil (USD Nil)	Rs. 255,832,844 (USD 4,093,326)
Trade Payables	Rs. 2,634,696 (USD 39,766)	Rs. 8,561,511 (USD 136,984)

39 Current Taxation

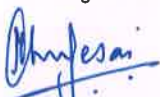
Provision for taxation for the current year has been calculated under section 115JB of the Income Tax Act, 1961 of India.

40 Prior year comparatives have been reclassified to conform with the current year's presentation, wherever applicable.

Signature to Notes to financial statements

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/N500016




Mehul Desai  
Partner  
Membership No. 103211

Place: Mumbai  
Date: April 25, 2016



Malay Mahanti  
Director and CFO  
DIN: 07005344

Place: Mumbai  
Date: April 25, 2016



D. K. Patil  
Director  
DIN: 00062784



Shashikant Thorat  
Company Secretary