

O/C

Welspun Captive Power Generation Limited
Financial Statements for the period ended 31
March 2018

✓

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Captive Power Generation Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of Welspun Captive Power Generation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

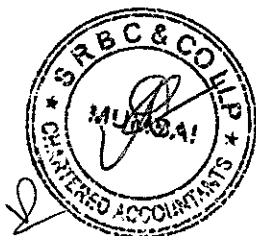
Management's Responsibility for the Ind AS financial statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 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 Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Page 2 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

Opinion

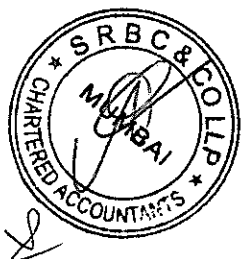
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those Ind AS financial statements on April 25, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be Included In the Auditor's Report In accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;



S R B C & CO LLP

Chartered Accountants

Page 3 of 8

Welspun Captive Power Generation Limited

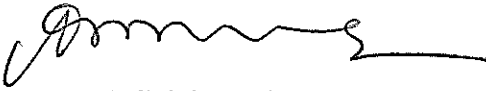
Independent auditors report for the year ended March 31, 2018

- ii. The Company has long term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have long-term derivative contracts as at March 31, 2018;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anil Jobanputra

Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: May 14, 2018



14/5/18

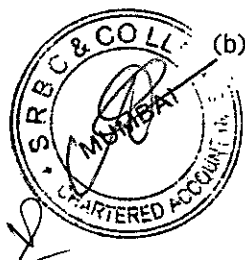
Page 4 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

Annexure 1 referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date**Re: Welspun Captive Power Generation Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment / fixed assets are held in the name of the company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the electricity generation, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, duty of



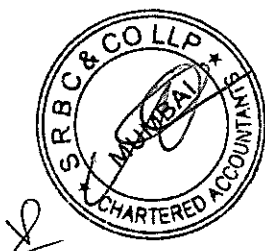
Page 5 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, no managerial remuneration has been paid / provided during the year and hence the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



S R B C & CO LLP

Chartered Accountants

Page 6 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



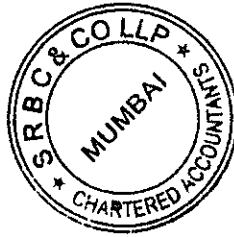
per Anil Jobanputra

Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: May 14, 2018




14/5/18

Page 7 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Welspun Captive Power Generation Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Welspun Captive Power Generation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

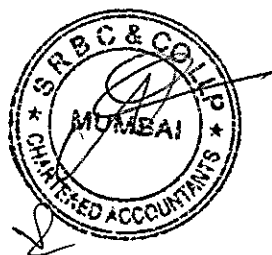
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



Page 8 of 8

Welspun Caplive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

Meaning of Internal Financial Controls Over Financial Reporting

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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003




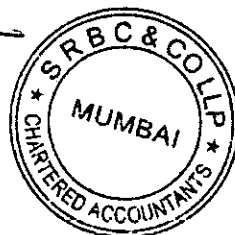
per Anil Jobanputra

Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: May 14, 2018


14/5/18

WELSPUN CAPTIVE POWER GENERATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As At March 31, 2018 (Rs. million)	As At March 31, 2017 (Rs. million)
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,988.42	2,289.54
Capital work-in-progress	3	0.00	0.00
Intangible assets	4	0.18	0.28
Financial assets	5 (a)	37.33	1.40
Deferred Tax Assets (Net)	6	17.10	116.00
Other non-current assets	7	3.22	2.72
Total non-current assets		2,046.25	2,410.02
Current assets			
Inventories	8	75.41	148.16
Financial assets			
(i) Investments	5 (b)	252.00	25.00
(ii) Trade Receivables	5 (c)	562.02	0.14
(iii) Cash and Cash Equivalents	5 (d)	91.47	64.80
(iv) Bank balances other than (iii) above	5 (e)	4.23	37.73
(v) Other financial assets	5 (a)	14.24	480.11
Current tax assets	9	16.29	31.09
Other current assets	10	32.54	18.66
Total current assets		1,048.20	805.70
Total assets		3,094.45	3,215.72
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11 (a)	295.38	295.38
Other equity			
Equity component of compound financial instruments	12 (a)	717.36	717.36
Reserves and surplus	11 (b)	786.84	246.19
Total equity		1,799.58	1,258.93
Liabilities			
Non-current liabilities			
Financial Liabilities			
- Borrowings	12 (a)	1,085.90	1,060.54
- Other financial liabilities	12 (b)	0.08	0.05
Employee benefit obligations	13	3.68	2.83
Total non-current liabilities		1,089.66	1,063.42
Current liabilities			
Financial Liabilities			
(i) Borrowings	12 (c)	-	113.60
(ii) Trade payables	12 (d)	185.44	134.10
(iii) Other financial liabilities	12 (e)	10.73	237.64
Employee benefit obligations	13	0.81	0.71
Current tax liabilities			
Other current liabilities	14	8.23	407.32
Total current liabilities		205.21	893.37
Total liabilities		1,294.87	1,956.79
Total equity and liabilities		3,094.45	3,215.72

The above balance sheet should be read in conjunction with the accompanying notes.

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

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

per Anil Jobanputra
Partner
Membership No. 110759



Place: Mumbai
Date: May 14, 2018

For and on behalf of the Board of Directors

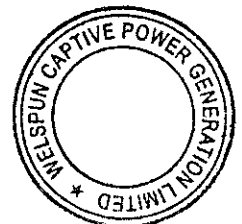
Dipali Goenka
Director
DIN: 00007199

D. K. Patil
Director
DIN: 00062784

Dinesh Jain
CEO and CFO

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 14, 2018



14/5/18

WELSPUN CAPTIVE POWER GENERATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2018

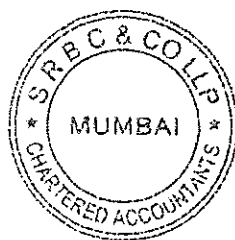
	Notes	Year ended March 31, 2018 (Rs. million)	Year ended March 31, 2017 (Rs. million)
Revenue from operations	15	3,634.85	2,088.17
Other Income	16	25.85	67.81
Total revenue		3,660.70	2,155.99
Expenses			
Cost of materials consumed	17	1,975.95	1,042.22
Purchases of stock-in-trade		41.37	155.08
Employee benefits expense	18	88.53	78.48
Depreciation and amortization expense	19	297.18	351.52
Other expenses	20	280.73	314.90
Finance costs	21	151.53	279.50
Total expenses		2,835.29	2,221.71
Profit/(loss) before exceptional items and tax		825.41	(65.72)
Exceptional Items			
- Insurance Claim for Loss of Profit	5 (a)	-	357.33
Profit before tax		825.41	291.61
Income Tax Expense	22		
- Current Tax		186.08	62.23
- Deferred Tax		98.83	38.41
Total Income Tax Expense		284.91	100.65
Profit/ (loss) for the year		540.50	190.96
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	18	0.22	0.76
Income tax relating to this item	22	(0.08)	(0.26)
Other Comprehensive Income for the year, net of tax		0.14	0.49
Total Comprehensive Income for the year		540.64	191.45
Earnings Per Share (Rs.) [Nominal value per share : Rs. 10 (March 31, 2017 : Rs. 10)]	31		
Basic earning per share		18.30	6.46
Diluted earning per share		18.30	6.46

The above statement of profit and loss should be read in conjunction with the accompanying notes.

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

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

per Anil Jobanputra
Partner
Membership No. 110759



Place: Mumbai
Date: May 14, 2018

For and on behalf of the Board of Directors

Dipali Goenka
Director
DIN: 00007199

D. K. Patil
Director
DIN: 00062784

Dinesh Jain
CEO and CFO

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 14, 2018



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	For the Year Ended March 31, 2018 (Rs. million)	For the Year Ended March 31, 2017 (Rs. million)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	825.41	291.61
Adjustments for :		
Depreciation and Amortisation Expenses	297.18	351.52
Loss on scrapping of Fixed Assets	0.00	
Unrealised Foreign Exchange Differences	1.04	6.27
Changes in fair value of financial assets at fair value through profit or loss	(5.35)	(27.36)
Remeasurement of post employment benefits	0.22	0.76
Dividend and interest income classified as investing cash flows	(15.64)	(23.72)
Discounting and bank charges	3.67	3.22
Interest and Other Expenses	147.85	276.28
	428.97	586.97
Operating Profit Before Working Capital Changes	1,254.38	878.58
Change in operating assets and liabilities :		
(Increase) in trade receivables	(86.79)	(133.24)
Increase/ (decrease) in trade and other payables and provisions	50.30	74.01
(Increase)/ decrease in inventories	72.75	(45.44)
(Increase)/ decrease in other current assets	(13.88)	27.95
(Increase) in other non current assets	(0.50)	(2.69)
Increase in employee benefit obligation	0.96	0.82
Increase in other non-current financial liabilities	0.03	0.05
Increase / (Decrease) in other current financial liabilities	(6.48)	(0.05)
Increase/(Decrease) in other current liabilities	(399.10)	402.16
	(382.71)	323.57
Cash Generated from Operations	871.67	1,202.15
Income Tax paid	(171.27)	(92.46)
Net Cash Inflow from Operating Activities	700.40	1,109.69
B. CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(6.06)	(0.37)
Proceeds from sale of Property, Plant and Equipment	10.17	-
Payments for purchase of investments	(224.09)	(22.51)
Interest Received	6.43	22.92
Net Cash Inflow used in Investing Activities	(213.55)	0.04
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings / (Repayment)	(220.00)	(1,077.87)
Proceeds from Short-term Borrowings / (Repayment)	(113.60)	113.60
Interest and Other Finance Expenses	(126.59)	(279.76)
Net Cash Flow (used in)/ from Financing Activities	(460.19)	(1,244.03)
Net (decrease) / increase in Cash and Cash Equivalents (A + B + C)	26.66	(134.30)
Cash and Cash Equivalents at the beginning of the year	64.80	199.10
Cash and Cash Equivalents at the end of the year	91.47	64.80
Net Increase in Cash and Cash Equivalents	26.66	(134.30)

	1-Apr-17	Cash Flow	31-Mar-18
Borrowings - Non current [Note 12 (a)]	1,094.23	(216.96)	877.26
Borrowings - Non current [Note 11 (c)]	113.60	(113.60)	-

Notes :

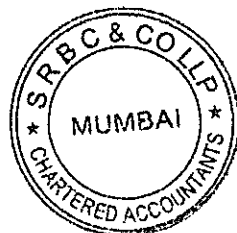
1. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.
2. Cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flow.

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

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

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

per Anil Jobanputra
Partner
Membership No. 110759



Place: Mumbai
Date: May 14, 2018

For and on behalf of the Board of Directors

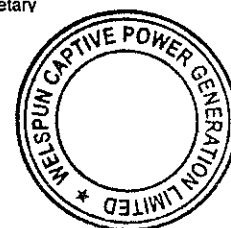
Dipali Goenka
Director
DIN: 00007199

Dinesh Jain
CEO and CFO

Place: Mumbai
Date: May 14, 2018

D. K. Patil
Director
DIN: 00062784

Shashikant Thorat
Company Secretary



WELSPUN CAPTIVE POWER GENERATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON MARCH 31, 2018

a. Equity Share Capital

(Rs. million)

Particulars	Notes	Amount
Balance as at March 31, 2016	11 (a)	295.38
Changes in equity share capital during the year		-
Balance as at March 31, 2017	11 (a)	295.38
Changes in equity share capital during the year		-
Balance as at March 31, 2018	11 (a)	295.38

b. Other Equity

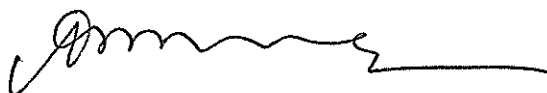
(Rs. million)

	Notes	Equity component of compound financial instruments	Reserves and Surplus		Total Equity
			Debtenture Redemption Reserve	Retained earnings	
Balance as at March 31, 2016		717.36	55.00	(0.26)	772.10
Profit for the year	11 (b)	-	-	190.96	190.96
Other Comprehensive Income		-	-	0.49	0.49
Total Comprehensive Income for the year		717.36	55.00	191.19	963.55
Transfer to Debtenture Redemption Reserve from retained earnings	11 (b)	-	44.31	(44.31)	-
Balance as at March 31, 2017		717.36	99.31	146.88	963.55

	Notes	Equity component of compound financial instruments	Reserves and Surplus		Total Equity
			Debtenture Redemption Reserve	Retained earnings	
Balance as at March 31, 2017		717.36	99.31	146.88	963.55
Profit for the year	11 (b)	-	-	540.50	540.50
Other Comprehensive Income		-	-	0.15	0.15
Total Comprehensive Income for the year		717.36	99.31	687.53	1,504.20
Transfer to Debtenture Redemption Reserve from retained earnings	11 (b)	-	46.80	(46.80)	-
Balance as at March 31, 2018		717.36	146.11	640.73	1,504.20

The above statement of changes in equity should be read in conjunction with the accompanying notes.
This is statement of changes in equity referred to in our report of even date.

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



per Anil Jobanputra
Partner
Membership No. 110759

Place: Mumbai
Date: May 14, 2018

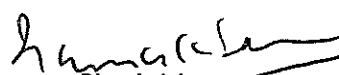
Place: Mumbai
Date: May 14, 2018



For and on behalf of the Board of Directors

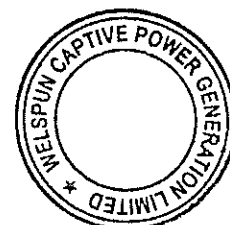

Dipali Goenka
Director
DIN: 00007199


D. K. Patil
Director
DIN: 00062784


Dinesh Jain
CEO and CFO


Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 14, 2018



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

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

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

b. Equity instruments

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

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

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Company determines whether there has been a significant increase in credit risk.

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

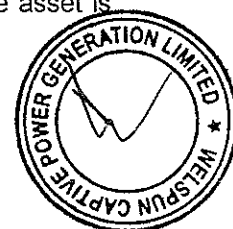
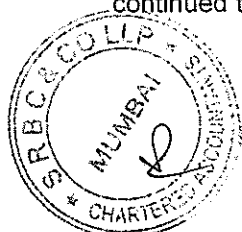
(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

(v) Income recognition

a. Interest income

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

b. Dividends

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

(vi) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within borrowings in current liabilities in statement of financial position and which are considered as integral part of the Company's cash management policy.

(vii) Trade receivable

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

Financial liabilities

(i) Measurement:

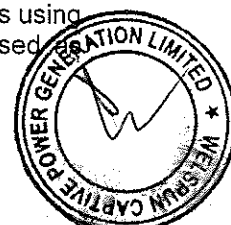
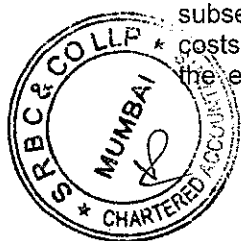
Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised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

(ii) Derecognition:

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

(iii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

(iv) Trade and other payables

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

Compound instrument

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

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

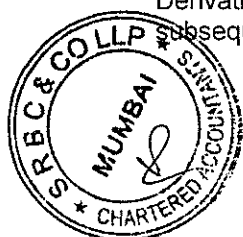
Financial guarantee contracts

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

Derivatives and hedging activities

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

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



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

General Information

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

The Company has its Non-convertible debentures listed on Wholesale Debt Market of National Stock Exchange w.e.f. April 13, 2016.

The financial statements were authorised for issue by the board of directors on May 14, 2018.

Note 1: Significant Accounting Policies

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

1.1 Basis of preparation of financial statements

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

1.2 Foreign currency transactions

a) Functional and presentation currency

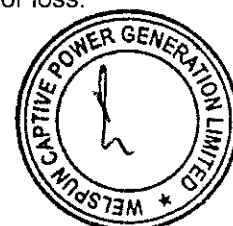
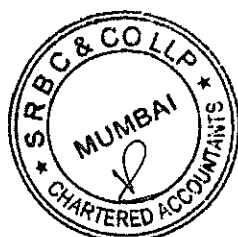
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

b) Transactions and balances

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

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

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



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises revenue when the amount of revenue can be reliably measured, It is probable that future economic benefits associated with the transaction will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of power and steam

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

Sale of coal

Revenue from sale of coal is recognised when the risk and rewards of ownership in goods are transferred to the buyer as per the terms of the contract and is recognised net of sales taxes.

1.4 Other Income

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

1.5 Income Tax

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

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

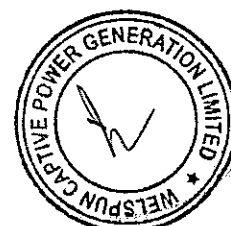
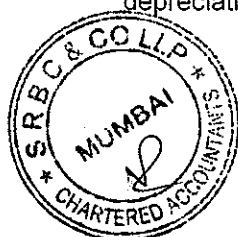
Current income tax

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

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

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

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

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

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

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

1.7 Exceptional items

Exceptional items comprise items of income and expense, including tax items, that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Company's underlying financial performance.

1.8 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

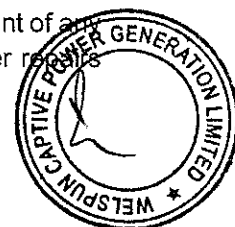
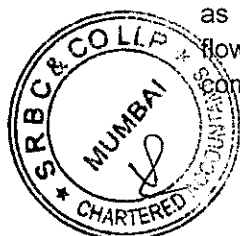
1.9 Property, plant and equipment

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

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

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

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



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The company has elected to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation methods, estimated useful lives and residual value

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

Assets	Estimated Useful Life
Office Equipment	5 years
Furniture and fixtures	10 years
Computer	3 years except Networking equipments which are depreciated over useful life of 4 years
Vehicles	10 years
Factory Building	28.5 years
Office Building	30 years
Road, Fencing, etc	Ranging between 3 to 5 years

Plant and Machinery is depreciated on written down value method over the useful life ranging between 9 years to 20 years based on a technical evaluation which is lower than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

1.10 Intangible assets

Computer Software

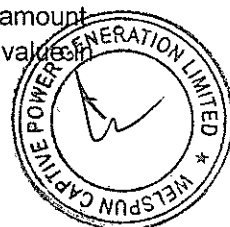
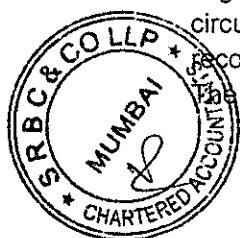
Computer Software with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at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

Amortisation methods and periods

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

1.11 Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.



O/C

Welspun Captive Power Generation Limited
Financial Statements for the period ended 31
March 2018

✓

INDEPENDENT AUDITOR'S REPORT

To the Members of Welspun Captive Power Generation Limited

Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of Welspun Captive Power Generation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Ind AS financial statements").

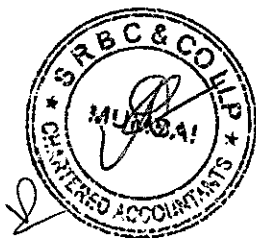
Management's Responsibility for the Ind AS financial statements

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 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 Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Page 2 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

Opinion

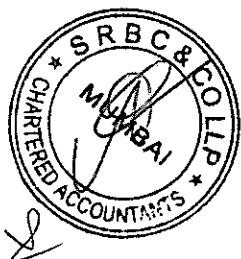
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit and its cash flows for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those Ind AS financial statements on April 25, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be Included In the Auditor's Report In accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;



S R B C & CO LLP

Chartered Accountants

Page 3 of 8

Welspun Captive Power Generation Limited

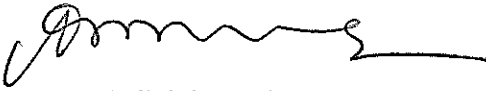
Independent auditors report for the year ended March 31, 2018

- ii. The Company has long term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have long-term derivative contracts as at March 31, 2018;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anil Jobanputra

Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: May 14, 2018



14/5/18

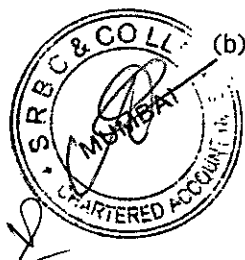
Page 4 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

Annexure 1 referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date**Re: Welspun Captive Power Generation Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment / fixed assets are held in the name of the company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the electricity generation, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, duty of



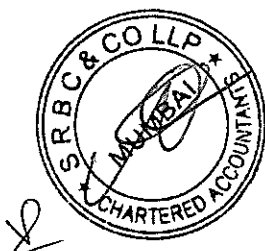
Page 5 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to debenture holders. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, no managerial remuneration has been paid / provided during the year and hence the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



S R B C & CO LLP

Chartered Accountants

Page 6 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



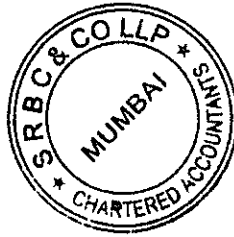
per Anil Jobanputra

Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: May 14, 2018




14/5/18

Page 7 of 8

Welspun Captive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Welspun Captive Power Generation Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Welspun Captive Power Generation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

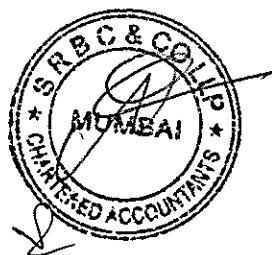
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



Page 8 of 8

Welspun Caplive Power Generation Limited

Independent auditors report for the year ended March 31, 2018

Meaning of Internal Financial Controls Over Financial Reporting

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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



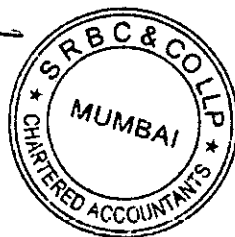
per Anil Jobanputra

Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: May 14, 2018



WELSPUN CAPTIVE POWER GENERATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2018

	Notes	As At March 31, 2018 (Rs. million)	As At March 31, 2017 (Rs. million)
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,988.42	2,289.54
Capital work-in-progress	3	0.00	0.00
Intangible assets	4	0.18	0.28
Financial assets	5 (a)	37.33	1.40
Deferred Tax Assets (Net)	6	17.10	116.00
Other non-current assets	7	3.22	2.72
Total non-current assets		2,046.25	2,410.02
Current assets			
Inventories	8	75.41	148.16
Financial assets			
(i) Investments	5 (b)	252.00	25.00
(ii) Trade Receivables	5 (c)	562.02	0.14
(iii) Cash and Cash Equivalents	5 (d)	91.47	64.80
(iv) Bank balances other than (iii) above	5 (e)	4.23	37.73
(v) Other financial assets	5 (a)	14.24	480.11
Current tax assets	9	16.29	31.09
Other current assets	10	32.54	18.66
Total current assets		1,048.20	805.70
Total assets		3,094.45	3,215.72
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11 (a)	295.38	295.38
Other equity			
Equity component of compound financial instruments	12 (a)	717.36	717.36
Reserves and surplus	11 (b)	786.84	246.19
Total equity		1,799.58	1,258.93
Liabilities			
Non-current liabilities			
Financial Liabilities			
- Borrowings	12 (a)	1,085.90	1,060.54
- Other financial liabilities	12 (b)	0.08	0.05
Employee benefit obligations	13	3.68	2.83
Total non-current liabilities		1,089.66	1,063.42
Current liabilities			
Financial Liabilities			
(i) Borrowings	12 (c)	-	113.60
(ii) Trade payables	12 (d)	185.44	134.10
(iii) Other financial liabilities	12 (e)	10.73	237.64
Employee benefit obligations	13	0.81	0.71
Current tax liabilities			
Other current liabilities	14	8.23	407.32
Total current liabilities		205.21	893.37
Total liabilities		1,294.87	1,956.79
Total equity and liabilities		3,094.45	3,215.72

The above balance sheet should be read in conjunction with the accompanying notes.

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

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

per Anil Jobanputra
Partner
Membership No. 110759



Place: Mumbai
Date: May 14, 2018

For and on behalf of the Board of Directors

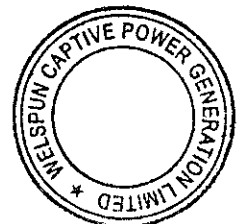
Dipali Goenka
Director
DIN: 00007199

D. K. Patil
Director
DIN: 00062784

Dinesh Jain
CEO and CFO

Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 14, 2018



14/5/18

WELSPUN CAPTIVE POWER GENERATION LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2018

	<u>Notes</u>	<u>Year ended March 31, 2018 (Rs. million)</u>	<u>Year ended March 31, 2017 (Rs. million)</u>
Revenue from operations	15	3,634.85	2,088.17
Other Income	16	25.85	67.81
Total revenue		3,660.70	2,155.99
Expenses			
Cost of materials consumed	17	1,975.95	1,042.22
Purchases of stock-in-trade		41.37	155.08
Employee benefits expense	18	88.53	78.48
Depreciation and amortization expense	19	297.18	351.52
Other expenses	20	280.73	314.90
Finance costs	21	151.53	279.50
Total expenses		2,835.29	2,221.71
Profit/(loss) before exceptional items and tax		825.41	(65.72)
Exceptional Items			
- Insurance Claim for Loss of Profit	5 (a)	-	357.33
Profit before tax		825.41	291.61
Income Tax Expense	22		
- Current Tax		186.08	62.23
- Deferred Tax		98.83	38.41
Total Income Tax Expense		284.91	100.65
Profit/ (loss) for the year		540.50	190.96
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	18	0.22	0.76
Income tax relating to this item	22	(0.08)	(0.26)
Other Comprehensive Income for the year, net of tax		0.14	0.49
Total Comprehensive Income for the year		540.64	191.45
Earnings Per Share (Rs.) [Nominal value per share : Rs. 10 (March 31, 2017 : Rs. 10)]	31		
Basic earning per share		18.30	6.46
Diluted earning per share		18.30	6.46

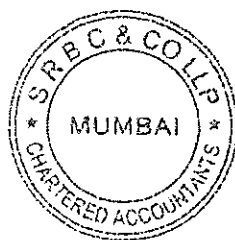
The above statement of profit and loss should be read in conjunction with the accompanying notes.

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

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



per Anil Jobanputra
Partner


Membership No. 110759

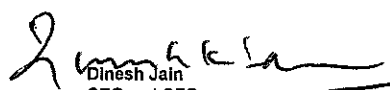


Place: Mumbai
Date: May 14, 2018

For and on behalf of the Board of Directors


Dipali Goenka
Director
DIN: 00007199


D. K. Patil
Director
DIN: 00062784


Dinesh Jain
CEO and CFO


Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 14, 2018



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	For the Year Ended March 31, 2018 (Rs. million)	For the Year Ended March 31, 2017 (Rs. million)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	825.41	291.61
Adjustments for :		
Depreciation and Amortisation Expenses	297.18	351.52
Loss on scrapping of Fixed Assets	0.00	
Unrealised Foreign Exchange Differences	1.04	6.27
Changes in fair value of financial assets at fair value through profit or loss	(5.35)	(27.36)
Remeasurement of post employment benefits	0.22	0.76
Dividend and interest income classified as investing cash flows	(15.64)	(23.72)
Discounting and bank charges	3.67	3.22
Interest and Other Expenses	147.85	276.28
	428.97	586.97
Operating Profit Before Working Capital Changes	1,254.38	878.58
Change in operating assets and liabilities :		
(Increase) in trade receivables	(86.79)	(133.24)
Increase/ (decrease) in trade and other payables and provisions	50.30	74.01
(Increase)/ decrease in inventories	72.75	(45.44)
(Increase)/ decrease in other current assets	(13.88)	27.95
(Increase) in other non current assets	(0.50)	(2.69)
Increase in employee benefit obligation	0.96	0.82
Increase in other non-current financial liabilities	0.03	0.05
Increase / (Decrease) in other current financial liabilities	(6.48)	(0.05)
Increase/(Decrease) in other current liabilities	(399.10)	402.16
	(382.71)	323.57
Cash Generated from Operations	871.67	1,202.15
Income Tax paid	(171.27)	(92.46)
Net Cash Inflow from Operating Activities	700.40	1,109.69
B. CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment and Capital Work-in-Progress	(6.06)	(0.37)
Proceeds from sale of Property, Plant and Equipment	10.17	-
Payments for purchase of investments	(224.09)	(22.51)
Interest Received	6.43	22.92
Net Cash Inflow used in Investing Activities	(213.55)	0.04
C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings / (Repayment)	(220.00)	(1,077.87)
Proceeds from Short-term Borrowings / (Repayment)	(113.60)	113.60
Interest and Other Finance Expenses	(126.59)	(279.76)
Net Cash Flow (used in)/ from Financing Activities	(460.19)	(1,244.03)
Net (decrease) / increase in Cash and Cash Equivalents (A + B + C)	26.66	(134.30)
Cash and Cash Equivalents at the beginning of the year	64.80	199.10
Cash and Cash Equivalents at the end of the year	91.47	64.80
Net Increase in Cash and Cash Equivalents	26.66	(134.30)

	1-Apr-17	Cash Flow	31-Mar-18
Borrowings - Non current [Note 12 (a)]	1,094.23	(216.96)	877.26
Borrowings - Non current [Note 11 (c)]	113.60	(113.60)	-

Notes :

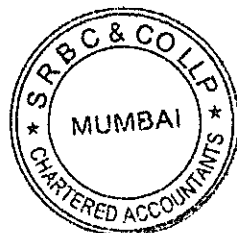
1. Previous year's comparatives have been reclassified to conform with the current year's presentation, wherever applicable.
2. Cash flow statement has been prepared under indirect method as set out in Indian Accounting Standard (IND AS 7) Statement of Cash Flow.

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

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

For SRBC & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Anil Jobanputra
Partner
Membership No. 110759



Place: Mumbai
Date: May 14, 2018

For and on behalf of the Board of Directors

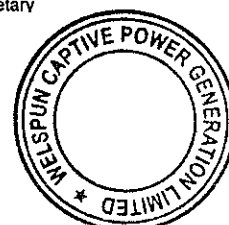
Dipali Goenka
Director
DIN: 00007199

Dinesh Jain
CEO and CFO

Place: Mumbai
Date: May 14, 2018

D. K. Patil
Director
DIN: 00062784

Shashikant Thorat
Company Secretary



WELSPUN CAPTIVE POWER GENERATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON MARCH 31, 2018

a. Equity Share Capital

(Rs. million)

Particulars	Notes	Amount
Balance as at March 31, 2016	11 (a)	295.38
Changes in equity share capital during the year		-
Balance as at March 31, 2017	11 (a)	295.38
Changes in equity share capital during the year		-
Balance as at March 31, 2018	11 (a)	295.38

b. Other Equity

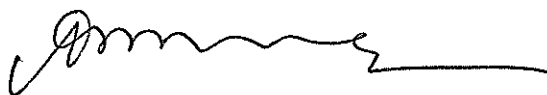
(Rs. million)

	Notes	Equity component of compound financial instruments	Reserves and Surplus		Total Equity
			Debtenture Redemption Reserve	Retained earnings	
Balance as at March 31, 2016		717.36	55.00	(0.26)	772.10
Profit for the year	11 (b)	-	-	190.96	190.96
Other Comprehensive Income		-	-	0.49	0.49
Total Comprehensive Income for the year		717.36	55.00	191.19	963.55
Transfer to Debtenture Redemption Reserve from retained earnings	11 (b)	-	44.31	(44.31)	-
Balance as at March 31, 2017		717.36	99.31	146.88	963.55

	Notes	Equity component of compound financial instruments	Reserves and Surplus		Total Equity
			Debtenture Redemption Reserve	Retained earnings	
Balance as at March 31, 2017		717.36	99.31	146.88	963.55
Profit for the year	11 (b)	-	-	540.50	540.50
Other Comprehensive Income		-	-	0.15	0.15
Total Comprehensive Income for the year		717.36	99.31	687.53	1,504.20
Transfer to Debtenture Redemption Reserve from retained earnings	11 (b)	-	46.80	(46.80)	-
Balance as at March 31, 2018		717.36	146.11	640.73	1,504.20

The above statement of changes in equity should be read in conjunction with the accompanying notes.
This is statement of changes in equity referred to in our report of even date.

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



per Anil Jobanputra
Partner
Membership No. 110759

Place: Mumbai
Date: May 14, 2018

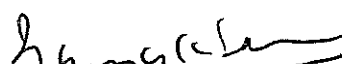
Place: Mumbai
Date: May 14, 2018



For and on behalf of the Board of Directors

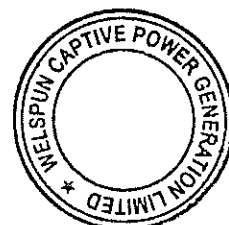

Dipali Goenka
Director
DIN: 00007199


D. K. Patil
Director
DIN: 00062784


Dinesh Jain
CEO and CFO


Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 14, 2018



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

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

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

b. Equity instruments

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

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

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 details how the Company determines whether there has been a significant increase in credit risk.

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

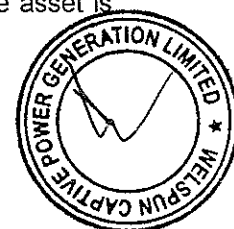
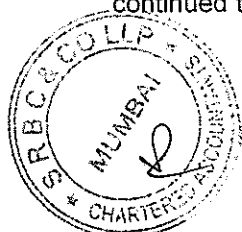
(iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

(v) Income recognition

a. Interest income

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

b. Dividends

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

(vi) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within borrowings in current liabilities in statement of financial position and which are considered as integral part of the Company's cash management policy.

(vii) Trade receivable

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

Financial liabilities

(i) Measurement:

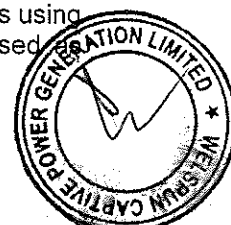
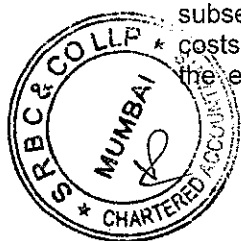
Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised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

(ii) Derecognition:

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

(iii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

(iv) Trade and other payables

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

Compound instrument

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

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

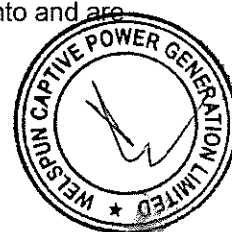
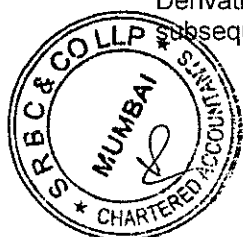
Financial guarantee contracts

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

Derivatives and hedging activities

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

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



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

General Information

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

The Company has its Non-convertible debentures listed on Wholesale Debt Market of National Stock Exchange w.e.f. April 13, 2016.

The financial statements were authorised for issue by the board of directors on May 14, 2018.

Note 1: Significant Accounting Policies

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

1.1 Basis of preparation of financial statements

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

1.2 Foreign currency transactions

a) Functional and presentation currency

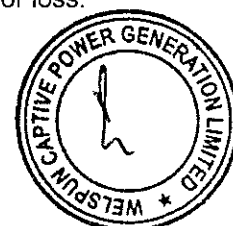
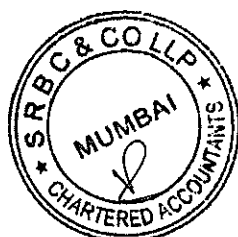
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

b) Transactions and balances

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

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

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



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognises revenue when the amount of revenue can be reliably measured, It is probable that future economic benefits associated with the transaction will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of power and steam

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

Sale of coal

Revenue from sale of coal is recognised when the risk and rewards of ownership in goods are transferred to the buyer as per the terms of the contract and is recognised net of sales taxes.

1.4 Other Income

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

1.5 Income Tax

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

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

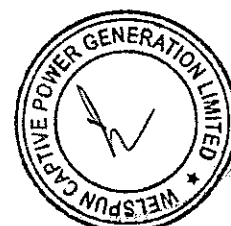
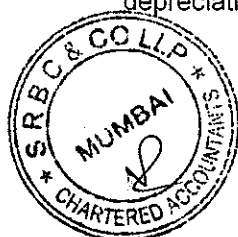
Current income tax

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

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

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

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

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

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

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

1.7 Exceptional items

Exceptional items comprise items of income and expense, including tax items, that are material in amount and unlikely to recur and which merit separate disclosure in order to provide an understanding of the Company's underlying financial performance.

1.8 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

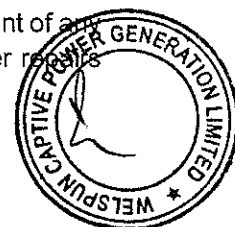
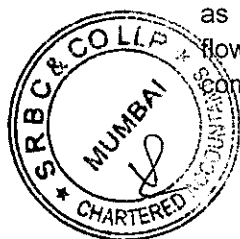
1.9 Property, plant and equipment

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

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

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

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



Welspun Captive Power Generation Limited
Notes to the Financial Statements for the year ended March 31, 2018

and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. The company has elected to continue with the carrying value for all of its property plant and equipment as recognized in the financial statements on transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation methods, estimated useful lives and residual value

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

Assets	Estimated Useful Life
Office Equipment	5 years
Furniture and fixtures	10 years
Computer	3 years except Networking equipments which are depreciated over useful life of 4 years
Vehicles	10 years
Factory Building	28.5 years
Office Building	30 years
Road, Fencing, etc	Ranging between 3 to 5 years

Plant and Machinery is depreciated on written down value method over the useful life ranging between 9 years to 20 years based on a technical evaluation which is lower than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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

1.10 Intangible assets

Computer Software

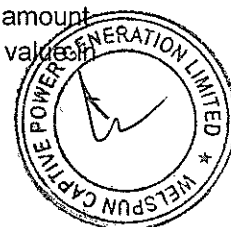
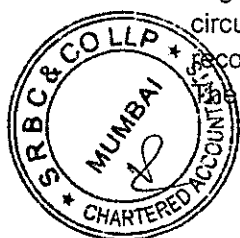
Computer Software with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at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

Amortisation methods and periods

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

1.11 Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 22 : Income tax expense

(Rs. million)

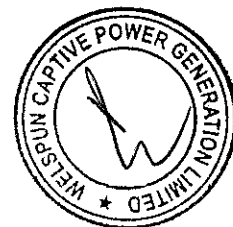
a) Statement of Profit and Loss	March 31, 2018	March 31, 2017
Income tax expense		
<i>Current Tax</i>		
Current Tax on profits for the year.	186.08	62.23
Total current tax expense	186.08	62.23
<i>Deferred Tax</i>		
Decrease in deferred tax assets (Refer Note 6)	98.84	38.42
Total deferred tax expense/(benefit)	98.84	38.42
Income tax expense	284.91	100.65

b) Other Comprehensive Income	31-Mar-18	31-Mar-17
Net loss/(gain) on remeasurement of defined benefit plans	(0.08)	(0.26)

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

(Rs. million)

	March 31, 2018	March 31, 2017
Profit before tax	825.41	291.61
Tax at the indian tax rate @ 34.61%	285.66	100.92
Tax effect of amounts which are not deductible (taxable) in calculating taxable		
Corporate social responsibility expenditure	0.99	0.01
Other Items	(1.74)	(0.28)
Income Tax Expenses	284.91	100.65



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 23 : Fair value measurements

Financial instruments by category

(Rs. million)

	31-Mar-18			31-Mar-17		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Current financial assets						
Investments						
- Bonds and debentures	252.00	-	-	-	-	-
- Mutual funds	-	-	-	25.00	-	-
Trade receivables	-	-	562.02	-	-	0.14
Cash and cash equivalents	-	-	91.47	-	-	64.80
Bank Balances other than above	-	-	4.23	-	-	37.73
Insurance Claim Receivable	-	-	4.04	-	-	479.12
Fixed deposits with Banks with maturity period more than twelve months	-	-	37.33	-	-	1.40
Interest Accrued on Deposits	-	-	10.19	-	-	0.98
Total financial assets	252.00	-	709.28	25.00	-	584.19
Financial liabilities						
Borrowings	-	-	1,086.40	-	-	1,395.07
Security Deposits	-	-	0.05	-	-	0.05
Derivative financial liabilities	-	-	-	-	-	-
- Foreign exchange forward contracts	-	-	-	6.27	-	-
Trade payables	-	-	185.44	-	-	134.10
Retention money payable	-	-	10.23	-	-	10.44
Total financial liabilities	-	-	1,282.12	6.27	-	1,539.66

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

(Rs. million)

Particulars	31-Mar-18		31-Mar-17	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Insurance Claim Receivable	4.04	4.04	479.12	479.12
Fixed deposits with Banks with maturity period more than twelve months	37.33	37.33	1.40	1.40
Interest Accrued on Deposits	10.19	10.19	0.98	0.98
Others	657.72	657.72	102.68	102.68
Total	709.28	709.28	584.19	584.19
Financial liabilities				
9.84% Redeemable Non-Convertible Debentures	877.26	887.93	1,094.23	1,118.54
Liability component of compound financial instruments	209.14	281.13	186.94	248.22
Security Deposits	0.05	0.05	0.05	0.05
Others	195.67	195.67	144.54	144.54
Total	1,282.13	1,364.79	1,425.76	1,511.35

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

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

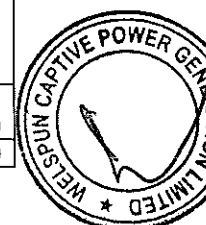
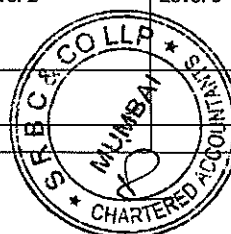
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

(iii) Fair value hierarchy

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

(Rs. million)

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2018					
Financial assets					
Bonds & Debentures	5 (b)	252.00	-	-	252.00
Total financial assets		252.00	-	-	252.00



WELSPUN CAPTIVE POWER GENERATION LIMITED

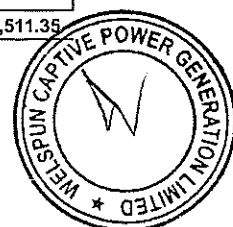
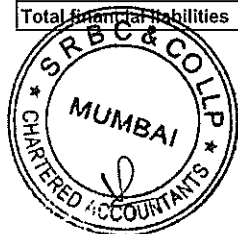
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2018					
Financial assets					
Fixed deposits with Banks with maturity period more than twelve months	5 (a)	-	37.33	-	37.33
Interest Accrued on Deposits	5 (a)	-	-	10.19	10.19
Others	5 (d), 5 (c), 5 (e)	-	-	657.72	657.72
Insurance Claim Receivable	5 (a)	-	-	4.04	4.04
Total financial assets		-	37.33	671.95	709.28
Financial Liabilities					
Security Deposits	11 (b)	-	-	0.05	0.05
9.84% Redeemable Non-Convertible Debentures	11 (a)	887.93	-	-	887.93
Liability component of compound financial instruments	11 (a)	-	-	281.13	281.13
Trade payables		-	-	185.44	185.44
Retention money payable		-	-	10.23	10.23
Total financial liabilities		887.93	-	476.86	1,364.79

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2017					
Financial assets					
Mutual funds	5 (b)	25.00	-	-	25.00
Total financial assets		25.00	-	-	25.00
Financial liabilities					
Derivatives not designated as hedges:					
- Foreign exchange forward contracts	12 (b)	-	6.27	-	6.27
Total financial liabilities		-	6.27	-	6.27

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2017					
Financial assets					
Fixed deposits with Banks with maturity period more than twelve months	5 (a)	-	1.40	-	1.40
Interest Accrued on Deposits	5 (a)	-	-	0.98	0.98
Others	5 (d), 5 (c), 5 (e)	-	-	102.68	102.68
Insurance Claim Receivable	5 (a)	-	-	479.12	479.12
Total financial assets		-	1.40	582.79	584.19
Financial Liabilities					
Security Deposits	12 (b)	-	-	0.05	0.05
9.84% Redeemable Non-Convertible Debentures	12 (a)	1,118.54	-	-	1,118.54
Liability component of compound financial instruments	12 (a)	-	-	248.22	248.22
Trade payables		-	-	134.10	134.10
Retention money payable		-	-	10.44	10.44
Total financial liabilities		1,118.54	-	392.81	1,511.35



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, exchange traded funds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing Net Assets Value (NAV). NAV represents the price at which the issuer will issue further units and will redeem such units of mutual fund to and from the Investors.

Level 2: The fair value of financial instruments that are not traded in an active market (such as traded bonds, debentures, government securities and commercial papers) is determined using Fixed Income Money Market and Derivatives Association of India (FIMMDA) inputs and valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

iv) Valuation technique used to determine fair value :

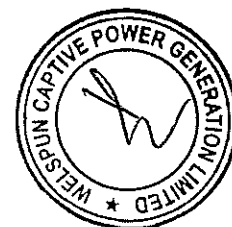
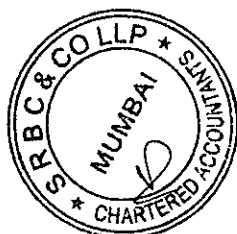
Specific valuation techniques used to value financial instruments include:

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

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

v) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO, Audit Committee and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 24 : Financial Risk Management

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

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

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

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit Risk Management

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

Ageing of Trade receivables is as follows

	Not due	0 - 30 days past dues	31 - 60 days past dues	61 - 90 days past dues	91 - 120 days past dues	121 - 180 days past dues	Beyond 181 days past dues	(Rs. Million) TOTAL
As at March 31, 2018	562.00	0.01	-	-	0.01	-	-	562.02
As at March 31, 2017	0.04	0.10	0.01	-	-	-	-	0.14

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

(B) Liquidity Risk

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

(i) Financing arrangements

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

	(Rs. Million)	
	31-Mar-18	31-Mar-17
Expiring within one year (cash credit, bank overdraft and other facilities)	650	536
TOTAL	650	536

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

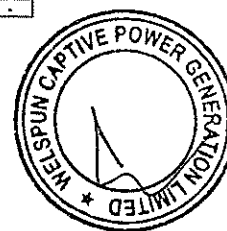
(ii) Maturities of Financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

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

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

As at March 31, 2018								(Rs. Million)
Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total	
Non-derivatives								
Borrowings	-	0.50	-	880.00	-	209.14	1,089.64	
Trade payables	202.07	-	-	-	-	-	202.07	
Other financial liabilities	195.72	-	-	-	-	-	195.72	
Total non-derivative liabilities	397.79	0.50	-	880.00	-	209.14	1,487.43	
Derivatives (net settled)								
Foreign exchange forward contracts	-	-	-	-	-	-	-	
Total derivative liabilities	-	-	-	-	-	-	-	



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

As at March 31, 2017

(Rs. Million)

Contractual maturities of financial liabilities	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
Non-derivatives							
Borrowings	147.33	33.65	266.69	1,106.97	104.84	801.59	2,461.07
Trade payables	134.10	-	-	-	-	-	134.10
Other financial liabilities	10.44	-	-	-	-	-	10.44
Total non-derivative liabilities	291.87	33.65	266.69	1,106.97	104.84	801.59	2,603.61
Derivatives (net settled)							
Foreign exchange forward contracts	6.27	-	-	-	-	-	6.27
Total derivative liabilities	6.27	-	-	-	-	-	6.27

C. Market risk

(i) Foreign currency risk

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

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period in India Rupees are as follows

(Rs. Million)

As at	31-Mar-18		31-Mar-17	
	USD	EUR	USD	EUR
Financial Assets				
Trade Receivables	-	-	-	-
Others	-	-	-	-
Derivative contracts	-	-	-	-
Forward	-	-	-	-
Net exposure to foreign currency risk (assets)	-	-	-	-
Financial liabilities				
External commercial borrowings	-	-	113.91	-
Trade payables	12.43	-	19.78	-
Derivative contracts	-	-	-	-
Forward	-	-	(120.52)	-
Net exposure to foreign currency risk (liabilities)	12.43	-	13.17	-

(b) Foreign currency sensitivity

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

(Rs. Million)

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD sensitivity		
INR/USD - Increase by 3% (March 31, 2017 - 4%)*	-0.37	-0.53
INR/USD - Decrease by 3% (March 31, 2017 - 4%)*	0.37	0.53

* Holding all other variables constant

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

(ii) Cash flow and fair value interest rate risk

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



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(a) Interest rate risk exposure

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

	(Rs. Million)	
	As at March 31, 2018	As at March 31, 2017
Fixed rate borrowings	1,089.64	1,395.08
Variable rate borrowings	-	-
Total borrowings	1,089.64	1,395.08

Sensitivity

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

(iii) Price risk

(a) Exposure

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

	(Rs. Million)	
Particulars	As at March 31, 2018	As at March 31, 2017
Investment in Mutual Funds	-	2.50
Investment in Bonds and G-Sec	252	-
Total borrowings	252	2.50

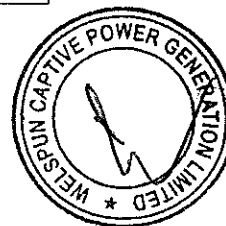
(b) Sensitivity

The table below summarises the impact of increases/decreases of 0.25% increase in price of Mutual Fund / Bond.

	(Rs. Million)	
	Impact on profit before tax	
	March 31, 2018	March 31, 2017
Increase in price 0.75% (March 31, 2017 - 0.75%)*	1.89	0.02
Decrease in price 0.75% (March 31, 2017 - 0.75%)*	(1.89)	(0.02)

* Holding all other variables constant

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



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 25 : Capital Management

(a) Risk management

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

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

The Company's strategy is to maintain a gearing ratio within 2:1. The gearing ratios were as follows:

The following table summarizes the capital of the Company:

(Rs. million)

	31-Mar-18	31-Mar-17
Paid up Debt Capital	1,085.91	1,280.54
Net Worth	1,799.58	41,258.93
Net debt to equity ratio	0.60	0.03

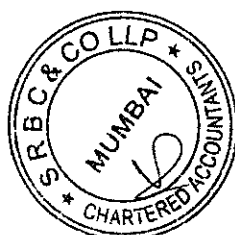
(i) Loan covenants

Under the terms as mentioned in the debenture offer agreement, the Company is required to comply with the following financial covenants:

- the net debt to net worth ratio must not be greater than 2.5 times
- the net debt to EBITDA ratio must not be greater than 3.0 times

The Company has complied with these covenants throughout the reporting period. As at 31 March 2018:

- Net debt to net worth ratio - 0.60 times
- Net debt to EBITDA - 0.78 times



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 26 : 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 108 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 year are all as reflected in the financial statements for the year ended March 31, 2018 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 2018.

Note 27 : Related party transactions

(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 (upto September 27, 2016)

MNG Agro Properties Private Limited (with effect from 28 september 2016 and upto March 29, 2017)

Prasert Multiventure Private Limited (with effect from March 30, 2017 till date)

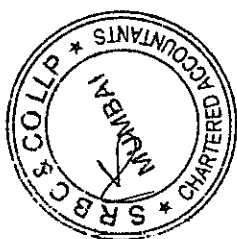
(b) Other Related Parties with whom transactions have taken place during the year:

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

Welspun Corp Limited

Welspun Steel Limited

Welspun Wasco Coatings Private Limited



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Particulars	Welspun India Limited		Welspun Corp Limited		Welspun Steel Limited		Welspun Wasco Coatings Pvt Ltd		Key Management Personnel	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Statement of profit and loss heads										
Gross revenue from sale of power, steam, coal & Building Material *	3,025.90	1,736.51	592.39	327.50	78.76	42.55	1.74	0.16	-	-
Purchase of goods and expenses incurred	0.22	0.18	60.89	3.12	63.09	34.25	-	-	-	-
Water Expense	27.31	23.86	-	-	-	-	-	-	-	-
Corporate Guarantee Commission	8.10	10.11	0.79	0.69	-	-	-	-	-	-
Rent paid	0.00	0.04	-	-	-	-	-	-	-	-
Director's sitting fees	-	-	-	-	-	-	-	-	0.45	0.28

* Amount is inclusive of taxes

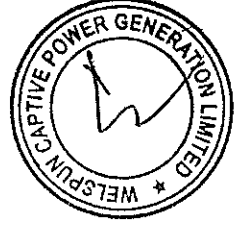
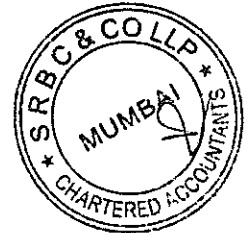
(b) Outstanding balances arising from sale/purchases of goods and services

Particulars	Welspun India Limited		Welspun Corp Limited		Welspun Steel Limited		Welspun Wasco Coatings Pvt Ltd	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Balance sheet heads (Closing balances):								
Trade payables, Advances received and other liabilities for receiving of services on revenue	403.39	-	-	-	-	-	-	-
Trade Receivables, Advance given and other receivables for rendering services	484.27	-	68.68	-	8.97	-	0.08	-
Corporate Guarantee given on behalf of the Company	880.00	1,100.00	-	-	-	-	-	-

(d) Terms and conditions

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

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



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 28 : Commitments

(a) Non-cancellable operating leases

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. 1.06 million (Previous Year: Rs. 0.91 million). The company has no non cancellable operating lease.

Note 29 : Value of Import, calculated on CIF basis

(Rs. million)

Description	Year Ended March 31, 2018 Rupees	Year Ended March 31, 2017 Rupees
Raw Materials	1,226.91	657.03
	1,226.91	657.03

Note 30 : Details of Consumption and Purchases

(a) Details of Raw Materials consumed

(Rs. million)

Description	Year Ended March 31, 2018 Rupees	Year Ended March 31, 2017 Rupees
Coal	1,975.95	1,042.22
	1,975.95	1,042.22

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

(i) Raw Materials

(Rs. million)

Description	Year Ended March 31, 2018		Year Ended March 31, 2017	
	%	Rupees	%	Rupees
Imported	90%	1,772.82	97%	1,009.73
Indigenous	10%	203.13	3%	32.50
	100%	1,975.95	100%	1,042.22

(ii) Traded goods

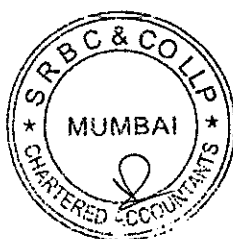
(Rs. million)

Description	Year Ended March 31, 2018		Year Ended March 31, 2017	
	%	Rupees	%	Rupees
Imported	75%	31.21	100%	155.08
Indigenous	25%	10.16	0%	-
	75%	41.37		155.08

(iii) Stores and Spares Consumed

(Rs. million)

Description	Year Ended March 31, 2018		Year Ended March 31, 2017	
	%	Rupees	%	Rupees
Imported	0%	-	0%	0.03
Indigenous	100%	43.06	100%	40.89
	100%	43.06	100%	40.91



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 31 : Earning per share

(Rs. million)

	March 31, 2018	March 31, 2017
Basic and diluted earnings per share	Rupees	Rupees
Earnings per share attributable to the equity holders of the company	18.30	6.46
Profit for the year	541	191
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (Number of shares)	29,537,988	29,537,988

Note 32 :

The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

Signatures to Notes to financial statements

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



per Anil Jobanputra
Partner
Membership No. 110759

For and on behalf of the Board of Directors

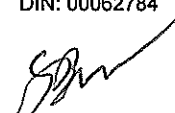

Dipali Goenka
Director
DIN: 00007199



D. K. Patil
Director
DIN: 00062784

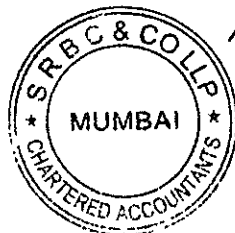


Dinesh Jain
CEO and CFO



Shashikant Thorat
Company Secretary

Place: Mumbai
Date: May 14, 2018



Place: Mumbai
Date: May 14, 2018

