

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WELSPUN CAPTIVE POWER GENERATION LIMITED

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of **Welspun Captive Power Generation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

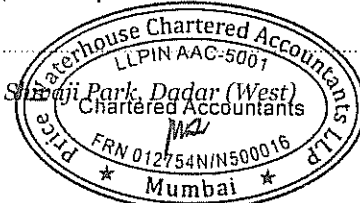
Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

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

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the members of Welspun Captive Power Generation Limited

Report on the financial statements

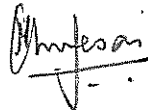
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Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 knowledge and belief and according to the information and explanations given to us:
 - i) The Company does not have any pending litigations as at March 31, 2015 which would impact its financial position.
 - ii) The Company has long-term contracts as at March 31, 2015 for which there were no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2015.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2015.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016



Mehul Desai

Partner

Membership Number: 103211

Mumbai
April 28, 2015

Price Waterhouse Chartered Accountants LLP

Annexure to Independent Auditors' Report

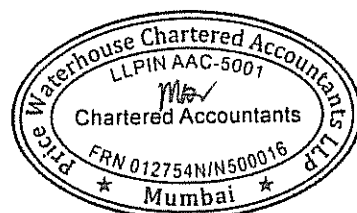
Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Captive Power Generation Limited on the financial statements as of and for the year ended March 31, 2015.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of power and Steam. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, and other material statutory dues, as applicable, with the appropriate authorities. As informed to us, employees' state insurance, wealth tax and duty of excise are not applicable to the Company during the year.



Price Waterhouse Chartered Accountants LLP

Annexure to Independent Auditors' Report

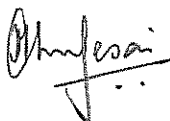
Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Captive Power Generation Limited on the financial statements for the year ended March 31, 2015.

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.
- c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. As the Company is registered for a period less than five years, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debenture.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016



Mehul Desai

Partner

Membership Number: 103211

Mumbai
April 28, 2015

WELSPUN CAPTIVE POWER GENERATION LIMITED

BALANCE SHEET AS AT MARCH 31, 2015

	Note	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	1,280,000,000	1,226,300,000
Reserves and Surplus	4	(128,292,012)	(238,528,451)
Non-current Liabilities			
Long-term Borrowings	5	2,217,263,491	2,534,307,397
Long-term Provisions	6	1,798,993	1,390,444
Current liabilities			
Short-term Borrowings	7	255,832,844	374,259,156
Trade Payables	8	67,361,699	96,395,918
Other Current Liabilities	9	386,404,721	454,170,361
Short-term Provisions	10	3,272,230	204,620
Total		4,083,641,966	4,448,499,445
Assets			
Non-current Assets			
Fixed Assets			
Tangible Assets	11	3,013,478,241	3,386,734,221
Intangible Assets	12	484,851	-
Capital Work-in-Progress	13	30,550,324	84,488,368
Deferred Tax Assets (Net)	14	342,975,819	334,042,747
Long-term Loans and Advances	15	9,588,708	2,010,089
Other Non-current Assets	16	1,237,556	798,000
Current Assets			
Current Investments	17	49,170,000	206,142,668
Inventories	18	105,955,062	122,585,359
Trade Receivables	19	270,079,539	212,326,682
Cash and Bank Balances	20	221,423,939	67,453,312
Short-term Loans and Advances	21	38,188,672	18,820,919
Other Current Assets	22	509,255	13,097,080
Total		4,083,641,966	4,448,499,445

The Notes are an integral part of these financial statements.

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

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



Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 28, 2015

For and on behalf of the Board of Directors



Malay Mahanti
Director and CFO
DIN: 07005344

Place: Mumbai
Date: April 28, 2015



D. K. Patil
Director
DIN: 00062784



Shashikant Thorat
Company Secretary



WELSPUN CAPTIVE POWER GENERATION LIMITED

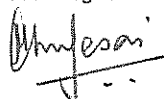
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
Revenue from Operations	23	2,670,397,127	2,250,073,983
Other Income	24	17,668,565	16,028,821
Total Revenue		2,688,065,692	2,266,102,804
Expenses			
Cost of materials consumed	25	1,387,470,451	1,351,333,954
Purchases of Traded goods	26	35,516,999	239,913,361
Employee benefits expense	27	54,133,075	50,116,121
Finance costs	28	350,296,348	359,316,978
Depreciation and amortisation expense	29	474,487,887	525,313,284
Other expenses	30	284,826,708	312,680,304
Total expenses		2,586,731,468	2,838,674,002
Profit/ (Loss) before tax		101,334,224	(572,571,198)
Tax Expense			
- Current Tax			
Minimum Alternate Tax (MAT)		9,359,000	-
Less: MAT Credit Entitlement		(9,359,000)	-
- Deferred Tax		(8,922,584)	(334,042,747)
Profit/ (Loss) for the year		110,256,808	(238,528,451)
Earnings/ (Loss) Per Equity Share [Nominal value per share: Rs. 10 (March 31 2014 : Rs. 10)]	35		
- Basic and diluted		3.77	(8.43)

The Notes referred are an integral part of these financial statements.

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

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



Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 28, 2015

For and on behalf of the Board of Directors

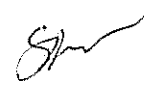


Malay Mahanti
Director and CFO
DIN: 07005344

Place: Mumbai
Date: April 28, 2015



D. K. Patil
Director
DIN: 00062784



Shashikanth Thorat
Company Secretary



WELSPUN CAPTIVE POWER GENERATION LIMITED

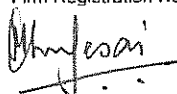
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the Year ended March 31, 2015 Rs.	For the Year ended March 31, 2015 Rs.	For the Year ended March 31, 2014 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax		101,334,224	(572,571,198)
Adjustments for :			
Depreciation	474,487,887		525,313,284
Loss on Redemption/ Sale of Units in Mutual Funds	30,767		26,854
Profit on Sale of Bonds	(519,663)		(477,208)
Profit on Sale of Fixed Assets	(2,800)		-
Dividend Income	(7,985,528)		(7,205,546)
Interest Income	(9,160,574)		(7,536,180)
Discounting and Bank Charges	4,565,055		8,162,718
Interest Expenses	345,731,293		351,154,260
		807,146,437	869,438,182
Operating Profit Before Working Capital Changes		908,480,661	296,866,984
Adjustments for changes in working capital :			
Trade and Other Receivables	(45,205,746)		(197,926,881)
Loans and Advances	(19,565,388)		(11,930,908)
Inventories	16,630,297		(122,585,359)
Liabilities and Provisions	(33,995,921)		85,197,444
		(82,136,758)	(247,245,704)
Cash Flow From Operations		826,343,903	49,621,280
Income Tax paid		(6,116,636)	(190,383)
Net Cash Flow from Operating Activities		820,227,267	49,430,897
B. CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase of Fixed Assets and Capital Work-in-Progress		(113,206,650)	(398,911,597)
Realisation from Fixed Deposits and Margin Money		5,732,514	8,341,764
Realisation from / (Purchase of) Investment (Net)		157,461,565	(205,692,314)
Dividend Received		7,985,528	7,205,546
Interest Received		9,201,287	7,271,345
Net Cash Flow From/ (used in) Investing Activities		67,174,244	(581,785,257)
C. CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from Issue of Shares		53,700,000	149,990,000
Proceeds from Long-term Borrowings/ (Repayment)		(309,543,911)	156,304,542
Proceeds from Short-term Borrowings/ (Repayment)		(118,426,313)	318,022,835
Interest and Other Finance Expenses		(352,988,591)	(370,186,997)
Net Cash Flow From/ (used in) Financing Activities		(727,258,815)	254,130,380
Net increase/ (decrease) in cash and cash equivalents (A + B + C)		160,142,696	(278,223,979)
Cash and Cash Equivalents at the beginning of the year		51,891,533	330,115,512
Cash and Cash Equivalents at the end of the year		212,034,230	51,891,533
Cash and cash equivalents comprise of:			
Cash on Hand		62,154	38,502
Bank balances			
- In current accounts		96,972,076	51,853,031
- Fixed deposits with maturity less than 3 months		115,000,000	-
Total		212,034,230	51,891,533

NOTE :

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

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016Mehul Desai
Partner
Membership No. 103211Place: Mumbai
Date: April 28, 2015

For and on behalf of the Board of Directors

Malay Mahanti
Director and CFO
DIN: 07005344D. K. Patil
Director
DIN: 00062784Shashikanth Thorat
Company SecretaryPlace: Mumbai
Date: April 28, 2015

WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

1. General Information

Welspun Captive Power Generation Limited ("the Company") was incorporated on April 30, 2010. The Company is engaged in the business of generation and sale of power and steam mainly to its group companies. The Company has commissioned its 80 megawatt power generation facility at Anjar, Gujarat on April 17, 2013.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

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

2.2 Tangible Assets

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

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

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

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

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

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing from April 1, 2014, the Company has, wherever required, to reflect the actual usage, has realigned the remaining useful lives of few assets in accordance with the provisions prescribed under Schedule II to the Act. Also Refer Note 11.2

Plant and Machinery is depreciated on written down value method over the useful life ranging between 9 years to 20 years which is lower than the life prescribed under Schedule II to the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimate useful lives of Plant and Machinery based on a technical evaluation, has not undergone a change on account of transition to the Companies Act, 2013.

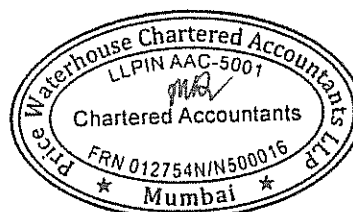
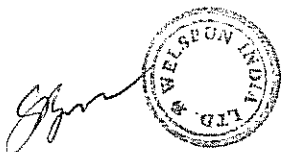
Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

2.3 Intangible Assets

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

2.4 Impairment

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

2.5 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.6 Investments

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

2.7 Inventories

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

2.8 Current Tax and Deferred Tax

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

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets arising in situations where there are brought forward losses and unabsorbed depreciation as per the Income Tax Act, 1961, of India, are recognised only when there is a virtual certainty supported by convincing evidence that such assets will be realised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

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

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

2.9 Employee Benefits

Provident Fund

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

Gratuity

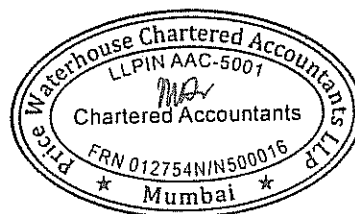
The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an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

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

Compensated Absences

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

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



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

2.10 Foreign Currency Translation

Initial Recognition

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

Subsequent Recognition

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

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

2.11 Revenue Recognition

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

2.12 Other Income

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

2.13 Provisions and Contingent Liabilities

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

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.14 Leases

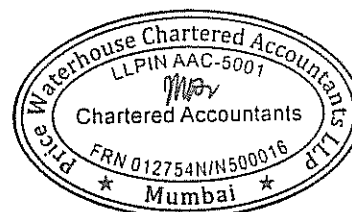
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

2.15 Cash and Cash Equivalents

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

2.16 Earnings Per Share

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 3 : Share Capital		
Authorised		
30,000,000 (March 31, 2014 : 30,000,000) Equity Shares of Rs. 10 each	300,000,000	300,000,000
100,000,000 (March 31, 2014 : 100,000,000) 6 % Non- Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up)	1,000,000,000	1,000,000,000
Total	1,300,000,000	1,300,000,000
Issued, Subscribed and Paid Up		
29,537,988 (March 31, 2014 : 28,298,988) Equity Shares of Rs. 10 each fully paid up	295,379,880	282,989,880
98,462,012 (March 31, 2014 : 94,331,012) 6 % Non- Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up	984,620,120	943,310,120
Total	1,280,000,000	1,226,300,000

(a) Reconciliation of number of shares

Equity Shares :

	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
Balance as at the beginning of the year	28,298,988	282,989,880	12,241,988	122,419,880
Add : Shares issued during the year (Refer Note below)	1,239,000	12,390,000	16,057,000	160,570,000
Balance as at the end of the year	29,537,988	295,379,880	28,298,988	282,989,880

Note: 1,239,000 equity shares of Rs.10 each have been allotted for cash pursuant to a resolution of Board of Directors in their meeting held on June 5, 2014.

Preference Shares :

	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
Balance as at the beginning of the year	94,331,012	943,310,120	79,332,012	793,320,120
Add : Shares issued during the year	4,131,000	41,310,000	14,999,000	149,990,000
Balance as at the end of the year	98,462,012	984,620,120	94,331,012	943,310,120

Note: 4,131,000 preference shares of Rs.10 each have been allotted for cash pursuant to a resolution of Board of Directors in their meeting held on June 5, 2014.

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

	As at March 31, 2015		As at March 31, 2014	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun India Limited	20,084,998	68.00	19,242,513	68.00
Welspun Corp Limited	5,316,430	18.00	5,093,427	18.00
Welspun Steel Limited	4,136,560	14.00	3,963,048	14.00
6 % Non- Cumulative Redeemable Preference Shares				
Welspun India Limited	66,956,672	68.00	64,147,487	68.00
Welspun Corp Limited	17,720,021	18.00	16,976,573	18.00
Welspun Steel Limited	13,785,319	14.00	13,206,952	14.00

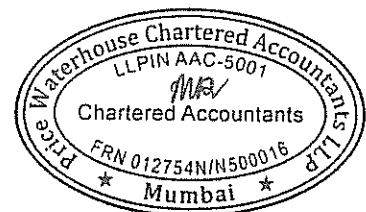
(c) Rights, preferences and restrictions attached to shares

Equity Shares:

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

Preference shares :

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



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 4 : Reserves and Surplus		
Surplus/ (Deficit) in Statement of Profit and Loss		
Balance as at the beginning of the year	(238,528,451)	-
Less: Fixed Assets fully depreciated on revision of useful life (Refer Note 11.2)	(20,369)	-
Add : Profit/ (Loss) for the year	110,256,808	(238,528,451)
Total	(128,292,012)	(238,528,451)

Note 5 : Long-term Borrowings**Secured :****Term Loans :**

Rupee Term Loan from Bank (Refer Note below)

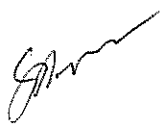

2,217,263,491

2,534,307,397

Total**2,217,263,491****2,534,307,397****Note :**

Nature of Security	Terms of Repayment
First charge on all present and future immoveable properties and movable fixed assets of the Project.	Re-payable in 32 Quarterly equal instalments commencing from April 30, 2014. Rate of Interest 12.25% - 12.50%
On second charge basis over the book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, intangibles, goodwill, uncalled capital pertaining to the Project.	

Further, the loan is also guaranteed by Welspun Corp Limited (20%), Welspun India Limited (30%) and Welspun Steel Limited (50%).

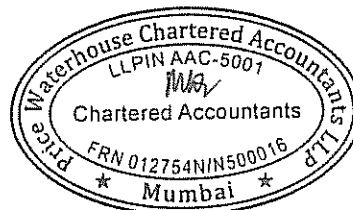




WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 6 : Long-term Provisions		
Provision for employee benefits		
Provision for Compensated Absences	1,798,993	1,390,444
Total	1,798,993	1,390,444
Note 7 : Short-term Borrowings		
Secured :		
Working Capital Loan from Banks (Refer Note below)	255,832,844	374,259,156
Total	255,832,844	374,259,156
Note : The working capital loans, which includes buyer's credit and acceptances from banks are secured by hypothecation of Inventories, book debts and receivables of the Company and second charge on immovable properties of the Company.		
Note 8 : Trade Payables		
Trade Payables		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 38)	-	72,116
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	67,361,699	96,323,802
Total	67,361,699	96,395,918
Note 9 : Other Current Liabilities		
Current Maturities of Long Term Debt		
- Rupee Term Loans from Banks (Refer Note 5)	369,543,910	362,043,914
Interest Accrued but not due on Borrowings	1,555,279	4,247,522
Advances from Customers	88,813	104,687
Bank Overdraft	93,716	-
Book Overdraft	-	5,759,259
Statutory dues (including Provident Fund and Tax deducted at Source)	4,444,342	4,117,790
Employee Benefits Payable	328,460	366,727
Creditors for Capital Purchases	-	1,214,685
Retention Money Payable	10,350,201	76,315,777
Total	386,404,721	454,170,361
Note 10 : Short-term Provisions		
Provision for employee benefits		
- Provision for Compensated Absences	227,501	204,620
Other Provisions		
Provision for Taxation -Minimum Alternate Tax [Net of Advance Tax Rs. 6,900,000 (March 31, 2014 : Rs. NIL) and Tax Deductible at Source INR 93,802 (March 31, 2014: Nil)]	3,044,729	-
Total	3,272,230	204,620



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 11: Tangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2014	Additions during the year	Disposals / Adjustments during the year	As at March 31, 2015	Accumulated upto March 31, 2014	For the Year (Refer Note 11.2 below)	Transferred to Reserves (Refer Note 11.2 below)	On Disposals during the year	As at March 31, 2015	As at March 31, 2014
Own Assets:										
Building (Refer Note 11.1 below)	626,394,482	57,244,283	-	683,638,775	19,635,922	27,975,588	-	-	636,027,265	606,756,560
Plant and Machinery (Refer Note 11.1 below)	3,277,537,949	43,735,864	-	3,321,273,813	504,358,142	444,822,809	-	-	2,372,292,862	2,773,179,807
Vehicles	50,000	-	-	50,000	7,704	4,750	-	-	37,546	42,296
Furniture and Fixtures	1,397,764	65,986	-	1,463,750	303,590	163,134	-	-	999,026	1,084,174
Office Equipment	4,485,072	79,247	3,500	4,560,819	353,209	1,115,766	-	3,500	3,095,344	4,131,853
Computers	2,192,238	112,223	-	2,304,461	654,717	593,689	30,857	-	1,035,198	1,537,521
Total	3,612,047,505	101,237,613	3,500	4,013,281,618	525,313,284	474,462,716	30,857	3,500	3,013,478,241	3,386,734,221
Previous Year	2,019,597	3,910,027,908	-	3,912,047,505	377,378	524,035,906	-	-	3,386,734,221	

Note:

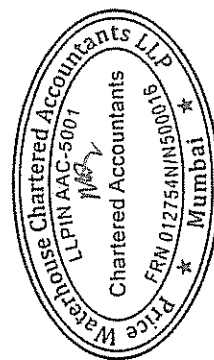
11.1 Previous year includes Borrowing Cost Rs.49,527,131 capitalised in Building and 354,718,485 capitalised in Plant and Machinery.

11.2 The Company has realigned the remaining useful lives of few assets in accordance with the rates prescribed under Schedule II to the Act. Consequently, in case of assets which have completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to Rs. 20,362 (net of deferred tax of Rs. 10,488) has been adjusted to Retained Earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives.

As a result of change, depreciation for the current year is higher by Rs. 6,715,562 and profit before tax for the current year is lower by Rs. 6,715,562 with a consequential impact on profit after tax for the current year.

Note 12: Intangible Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2014	Additions during the year	Disposals / Adjustments during the year	As at March 31, 2015	Accumulated upto March 31, 2014	For the Year (Refer Note 11.2 below)	Transferred to Reserves	On Disposals during the year	As at March 31, 2015	As at March 31, 2014
Software	-	510,002	-	510,002	-	25,151	-	-	484,851	-
Total	-	510,002	-	510,002	-	25,151	-	-	484,851	-
Previous Year	-	-	-	-	-	-	-	-	-	-

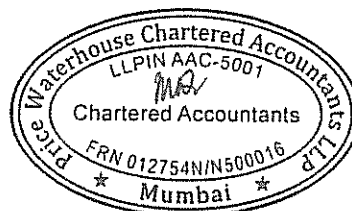
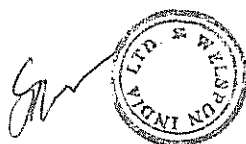


WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 13 : Capital Work-in-Progress

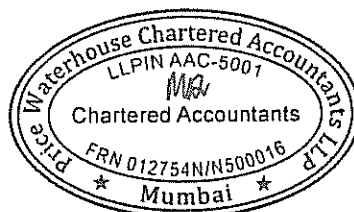
Particulars	As at March 31, 2015	As at March 31, 2014
	Rs.	Rs.
Opening Balance	84,488,368	4,096,335,274
Less: Adjustments		
Revenue from Sale of Coal	-	231,175,000
Cost of Traded Goods (Coal)	-	(226,522,466)
Share Issue Expenses	-	(7,087,500)
Depreciation	-	(377,378)
Other Expenses	(24,690)	(648,185)
Add: Additions during the year (Net)	44,184,713	87,103,859
Less: Transferred to Inventories		
Raw Materials	-	(174,329,598)
Stores and Spares	-	(11,370,898)
Less: Capitalised during the year (Previous year includes Rs. 238,168 capitalised directly)	(98,098,067)	(3,909,789,740)
Closing Balance	30,550,324	84,488,368



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

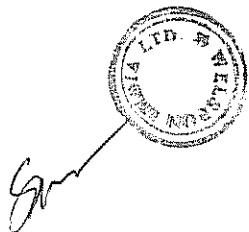
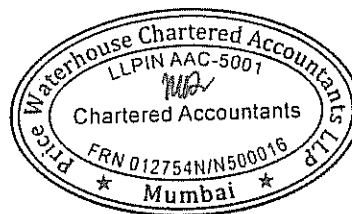
	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 14 : Deferred Tax Assets (Net)		
Deferred Tax Asset arising on account of timing differences in:		
- Provision for Employee Benefits	688,805	542,162
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	1,510,632	1,399,637
- Unabsorbed depreciation and carry forward loss as per the Income Tax Act, 1961	588,494,136	485,764,482
Deferred Tax Liability arising on account of Timing differences in:		
- Depreciation	247,717,754	153,663,534
	342,975,019	334,042,747
The Company has recognised net deferred tax assets on the basis of virtual certainty supported by convincing evidence that they will be realised. The Company has binding agreement with its customers which will generate sufficient profits to realise these deferred tax assets.		
Note 15 : Long-term Loans and Advances		
Unsecured, considered good (unless otherwise stated):		
Capital Advances	204,708	1,985,089
Security Deposits	25,000	25,000
Other Loans and Advances		
MAT Credit Entitlement	9,359,000	-
Total	9,588,708	2,010,089
Note 16 : Other Non-current Assets		
- Fixed deposits with Banks with maturity period more than 12 months*	1,237,556	798,000
Total	1,237,556	798,000
* Held as lien by Banks against letter of credit facility and bank guarantee facilities.		
Note 17 : Current Investments		
b) Non Trade - (Quoted)		
(At Cost or market value whichever is less)		
Investment in Bonds		
Bonds		
50 (March 31, 2014: Nil) 8.15% PGC Bonds of Face value of Rs. 1,000,000 each	49,170,000	-
Nil (March 31, 2014: 972) 9.90% IFCI Limited Bonds of Face value of Rs. 25,000 each	-	24,472,450
Nil (March 31, 2014: 167) 8.80% FCI Bonds of Face value of Rs. 1,000,000 each	-	180,731,426
Nil (March 31, 2014: 9) 7.50% WSPF Bonds of Face value of Rs. 100,000 each	-	938,792
Total	49,170,000	206,142,668
Aggregate amount of quoted investments	49,170,000	206,142,668
Market Value of quoted investments	49,460,000	210,241,000
Note 18 : Inventories		
Raw Materials (includes in transit: Rs. 56,790,172. Previous Year: Rs. 87,653,602)	80,803,219	99,906,333
Stores and Spares	25,151,843	22,679,026
Total	105,955,062	122,585,359
Note 19 : Trade Receivables		
Unsecured, Considered Good:		
Debts Outstanding for a period exceeding six months from the date they are due for payment	13,146	-
Other Debts	270,066,393	212,326,682
Total	270,079,539	212,326,682



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

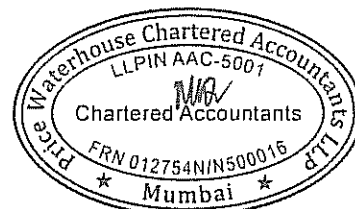
	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Note 20 : Cash and Bank Balances		
Cash and Cash Equivalents		
Cash on Hand	62,154	38,502
Bank balances		
- In current accounts	96,972,076	51,853,031
- Fixed deposits with maturity less than 3 months	115,000,000	-
	<u>212,034,230</u>	<u>51,891,533</u>
Other Bank balances		
- Fixed deposits with maturity more than 3 months but less than 12 months *	<u>9,389,709</u>	<u>15,561,779</u>
Total	<u>221,423,939</u>	<u>67,453,312</u>
* Includes Rs 4,167,426 (March 31, 2014 : Rs. 10,874,239) held as lien by Banks against letter of credit facility and bank guarantee facilities.		
Note 21 : Short-term Loans and Advances		
Unsecured, considered good, unless otherwise stated :		
Balances with Government Authorities	25,588,110	11,496,193
Advances Recoverable in Cash or in Kind or for Value to be Received	4,914,293	658,310
Other Loans and Advances		
Prepaid Expenses	7,283,017	6,105,751
Advance to Employees	104,802	64,580
Tax Deducted at Source	298,450	495,085
Total	<u>38,188,672</u>	<u>18,820,919</u>
Note 22 : Other Current Assets		
Unsecured, considered good:		
Interest Accrued - Fixed Deposits	252,474	549,968
Interest Accrued - Bonds	256,781	-
Claim Receivables	-	11,460,000
Gratuity Fund (Net)	-	1,087,112
Total	<u>509,255</u>	<u>13,097,080</u>

WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015 Rs.	Year ended March 31, 2014 Rs.
Note 23 : Revenue from Operations		
Revenue from Sale of Power	2,249,900,498	1,685,409,008
Revenue from Sale of Steam	381,717,200	318,024,048
	<u>2,631,617,698</u>	<u>2,003,433,056</u>
Other Operating Revenue		
Sale of Coal (Previous Year includes Rs. 231,175,000 pertaining to year prior to 2013-14)	36,190,000	244,565,895
Sale of Scrap	2,589,429	2,075,032
	<u>38,779,429</u>	<u>246,640,927</u>
Revenue from Operations	<u><u>2,670,397,127</u></u>	<u><u>2,250,073,983</u></u>
Note 24 : Other Income		
Interest Income		
On Fixed Deposits	858,197	1,897,953
On Bonds	8,295,461	5,638,227
On Income Tax Refund	6,916	-
Dividend Income	7,985,528	7,205,546
Profit on Sale of Bonds	519,663	477,208
Profit on Sale of Fixed Assets	2,800	-
Profit on Cancellation of Forward/ Swap Contracts	-	809,887
	<u><u>17,668,565</u></u>	<u><u>16,028,821</u></u>
Note 25 : Cost of materials consumed		
Raw material consumed		
Opening inventory	99,906,333	-
Add: Transferred from Capital Work-in-Progress	-	174,329,598
Add: Purchases	1,368,367,337	1,276,910,689
Less : Inventory at the end of the year	80,803,219	99,906,333
	<u><u>1,387,470,451</u></u>	<u><u>1,351,333,954</u></u>
Note 26 : Purchase of Traded goods		
Purchase of Coal (Previous year includes Rs. 226,522,466 pertaining to year prior to 2013-14)	35,516,999	239,913,361
	<u><u>35,516,999</u></u>	<u><u>239,913,361</u></u>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	<u>Year ended March 31, 2015</u>	<u>Year ended March 31, 2014</u>
	Rs.	Rs.
Note 27 : Employee Benefits Expense		
Salaries, Wages, Allowances and Other Benefits (Includes Rs 600,000 pertaining to year prior to 2014-15)	49,345,723	45,830,884
Contribution to Provident Fund	2,584,651	2,771,703
Staff and Labour Welfare	2,202,701	1,513,534
Total	<u>54,133,075</u>	<u>50,116,121</u>

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

I Defined Contribution Plans

	<u>2014-2015</u>	<u>2013-2014</u>
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:		
- Employers' Contribution to Provident Fund	<u>2,584,651</u>	<u>2,771,703</u>

II Defined Benefit Plan

Contribution to Gratuity Fund

The Company operates a gratuity plan through the "Welspun Captive Power Generation Limited Employees Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

a. Major Assumptions

	<u>2014-2015</u>	<u>2013-2014</u>
	% p.a.	% p.a.
Discount Rate	7.92	9.39
Expected Rate of Return on Plan Assets	7.92	8.70
Salary Escalation Rate @	8% for 5 years and 6% thereafter	8% for 5 years and 6% thereafter

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

b. Present Value of Defined Benefit Obligation

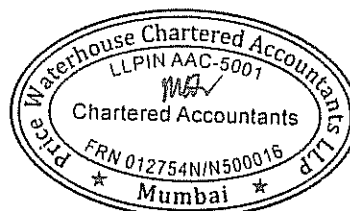
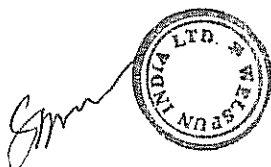
	<u>2014-2015</u>	<u>2013-2014</u>
	(Amount in Rs.)	(Amount in Rs.)
Balance at the beginning of the year	3,171,961	564,142
Current Service Cost	634,858	400,458
Interest Cost	297,847	46,542
Benefits paid from fund	(304,614)	-
Actuarial Loss/ (gain) on Obligations- Due to change in financial assumptions	554,848	2,160,819
Actuarial Loss/ (gain) on Obligations- Due to experience	(62,229)	-
Balance at the end of the year	<u>4,292,671</u>	<u>3,171,961</u>

c. Fair Value of Plan Assets

	<u>2014-2015</u>	<u>2013-2014</u>
	(Amount in Rs.)	(Amount in Rs.)
Balance at the beginning of the year	4,259,773	-
Expected Return on Plan Assets	370,600	-
Actuarial (Loss)/ gain on Obligations- Due to experience	321,192	-
Contributions	-	4,259,773
Benefits paid	(304,614)	-
Balance at the end of the year	<u>4,646,951</u>	<u>4,259,773</u>

d. Reconciliation of Present Value of Defined Benefit Obligation and the

	<u>As at March 31, 2015</u>	<u>As at March 31, 2014</u>
Fair Value of Assets		
Present Value of Funded Obligation	4,292,671	3,171,961
Fair Value of Plan Assets	4,646,951	4,259,773
Funded Status	4,646,951	4,259,773
Amount not recognised as Assets	(354,280)	-
Present Value of Unfunded Obligation	<u>-</u>	<u>-</u>



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

e. Expenses Recognised in the Statement of Profit and Loss	2014-2015	2013-2014
Current Service Cost	634,858	400,458
Interest Cost	297,847	46,542
Expected Return on Plan Assets	(370,600)	-
Net Actuarial Loss recognised in the year	(383,421)	-
Total expenses recognised in the Statement of Profit and Loss	178,684 *	447,000 *

*Included in Employee Benefits Expense above

f. Major Category of Plan Asset as a % of total Plan Assets	As at March 31, 2015	As at March 31, 2014
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Insurer managed funds	100.00	100.00
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g. Amounts recognised in current year and previous four years

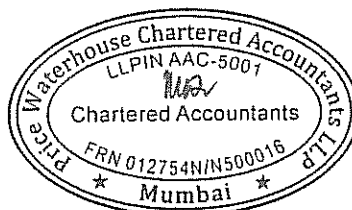
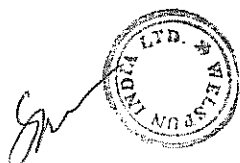
	As at March 31, 2015	(Amount in Rs.) As at March 31, 2014
Defined Benefit obligation at the end of the year	4,292,671	3,171,961
Fair Value of Plan Assets	4,292,671	4,259,773
(Surplus)/ Deficit	-	(1,087,812)
Experience loss adjustments on plan liabilities	-	2,531,616

h. Expected Contribution to the funds in the next year

	As at March 31, 2015	(Amount in Rs.) As at March 31, 2014
Gratuity	-	-

III Other Employee Benefit

The liability for leave entitlement and compensated absences as at year end is Rs.2,026,494 (March 31, 2014: Rs. 1,595,064).

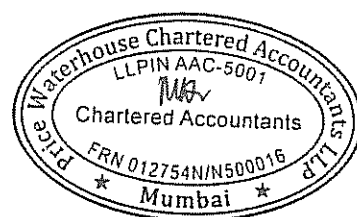


WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

	Year ended March 31, 2015	Year ended March 31, 2014
	Rs.	Rs.
Note 28 : Finance Costs		
Interest on Long term borrowings	341,973,443	339,188,301
Interest on Short Term borrowings	3,078,319	11,965,959
Interest on shortfall of advance tax	679,531	-
Bank Charges	4,565,055	8,162,718
Total	350,296,348	359,316,978
Note 29 : Depreciation and amortisation expense		
Depreciation on Tangible assets (Previous year includes Rs. 377,378 pertaining to year prior to 2013-14)	474,462,736	525,313,284
Amortisation on Intangible assets	25,151	-
Total	474,487,887	525,313,284
Note 30 : Other Expenses		
Stores and Spares Consumed	71,002,226	79,252,691
Chimney Approval Fees	10,500,000	-
Contract Labour Charges	11,593,710	9,816,899
Water Charges	17,117,879	17,205,639
Repairs and Maintenance:		
Plant and Machinery	7,175,682	4,783,916
Others	173,097	208,313
Material Handling and Transport Charges	27,817,866	22,598,444
Transmission Charges	94,072,892	84,320,656
Rent	206,633	14,952,667
Rates and Taxes	2,100	1,981,060
Share issue expenses of previous year	-	7,087,500
Commission on Corporate Guarantee	23,252,292	26,034,723
Printing and Stationery	258,531	770,924
Travelling and Conveyance	1,942,956	2,523,626
Legal and Professional Charges	3,555,352	4,644,568
Security Expenses	1,705,307	1,525,018
Insurance	5,432,122	6,661,763
Communication	149,815	168,425
Loss on Redemption/ Sale of Units in Mutual Funds	30,767	26,854
Net loss on foreign currency transaction and translation	4,883,320	22,841,155
Auditors' Remuneration		
- As Auditors	750,000	750,000
- In other capacity - As Tax Auditors	100,000	100,000
- Out of Pocket Expenses	60,879	-
Miscellaneous (Previous year includes Rs. 648,185 pertaining to year prior to 2013-14)	3,043,282	4,425,463
Total	284,826,708	312,680,304



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

31 Capital Commitments

Description	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Estimated value of Contracts in Capital Account remaining to be executed (Net of Capital Advances)	6,074,262	14,490,586

32 Contingent Liabilities

Description	As at March 31, 2015 Rs.	As at March 31, 2014 Rs.
Letter of Credit issued by Bank	5,762,304	78,356,912
Bank Guarantees	92,048,374	10,145,920
	97,810,678	88,502,832

33 Value of Import, calculated on CIF basis

Description	Year Ended March 31, 2015 Rs.	Year Ended March 31, 2014 Rs.
Raw Materials	1,094,637,614	737,685,678
	1,094,637,614	737,685,678

34 Details of Consumption and Purchases

(a) Details of Raw Materials consumed

Description	Year Ended March 31, 2015 Rs.	Year Ended March 31, 2014 Rs.
Coal	1,387,470,451	1,351,333,954
	1,387,470,451	1,351,333,954

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

(i) Raw Materials

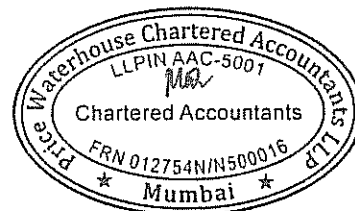
Description	Year Ended March 31, 2015		Year Ended March 31, 2014	
	%	Rs.	%	Rs.
Imported	97%	1,350,266,110	57%	772,237,984
Indigenous	3%	37,204,341	43%	579,095,970
	100%	1,387,470,451		1,351,333,954

(ii) Traded goods

Description	Year Ended March 31, 2015		Year Ended March 31, 2014	
	%	Rs.	%	Rs.
Imported	100%	35,516,999	100%	239,913,361
	100%	35,516,999		239,913,361

(iii) Stores and Spares Consumed

Description	Year Ended March 31, 2015		Year Ended March 31, 2014	
	%	Rs.	%	Rs.
Imported	0%	319,165	-	-
Indigenous	100%	70,683,061	100%	79,252,691
	100%	71,002,226	100%	79,252,691



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

35 Earnings/ (Loss) per Share

Particulars	Year Ended March 31, 2015 Rs.	Year Ended March 31, 2014 Rs.
Profit/ (Loss) after tax	110,256,808	(238,528,451)
Weighted average number of equity shares outstanding during the year	29,215,509	28,298,988
Basic and Diluted Earning/ (Loss) per share	3.77	(8.43)
Nominal value of an equity share (Rs.)	10	10

36 Segment Information

(i) Information about Primary Business Segment

The Company is exclusively engaged in the business of generation and sale of Power and Steam, which in the context of Accounting Standard 17 on Segment Reporting, is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the period are all as reflected in the financial statements for the year ended March 31, 2015 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 2015.

37 Related Party Disclosures

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

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

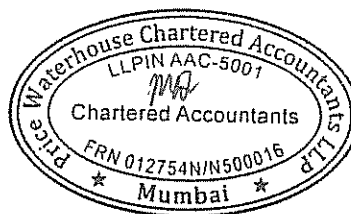
(b) Other Related Parties with whom transactions have taken place during the year:

Fellow Subsidiary
Welspun Syntex Limited (WSL)

Enterprises over which Key Management Personnel exercise significant influence or control
Welspun Steel Limited (WPSL)

- (c) Key Management Personnel *
- | |
|---|
| Mr. Malay Mahanti (w.e.f. November 4, 2014) |
| Mr. S. R. Somani |

* No transactions during the year



WELSPUN CAPTIVE POWER GENERATION LIMITED

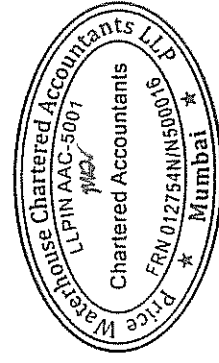
Notes to the financial statements for the year ended March 31, 2015

Note 37 (ii) Following are the transactions with related parties mentioned in (i) above and the year-end balances

PARTICULARS	Welspun India Limited		Welspun Steel Limited		Welspun Syntex Limited		TOTAL	
	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14	Current Year 2014-15	Previous Year 2013-14
Transactions during the year								
Purchase of Goods/ Expenses incurred	135,500	-	11,987,045	8,045	-	-	12,122,545	8,045
Sale of Energy/Steam/Coal +	2,318,135,939	1,574,765,258	11,834,955	153,295,793	-	-	2,329,970,894	1,728,061,051
Purchase of Fixed Assets / Capital Goods	-	-	1,229,492	1,656,264	-	-	1,229,492	1,656,264
Water Expenses	8,188,303	-	-	-	-	-	8,188,303	-
Rent Paid	-	-	-	16,380,000	-	-	-	16,380,000
Reimbursement Of Expenses incurred on behalf of the Company	-	349,452	3,587,282	4,799,311	-	-	3,587,282	5,148,763
Commission paid on Corporate Guarantee	6,975,688	7,810,417	11,626,146	13,017,361	-	-	18,601,834	20,827,778
Issue of Equity Shares	8,424,850	122,850,000	1,735,120	11,350,000	-	4,820,000	10,159,970	139,020,000
Issue of Preference Shares	28,091,850	147,100,000	5,783,670	-	-	2,890,000	33,875,520	149,990,000
Closing Balance								
Trade Receivable	230,858,277	162,699,634	-	24,815,783	-	-	230,858,277	187,515,416
Trade Payable	1,566,952	7,472,790	4,672,042	13,899,269	-	-	6,238,995	21,372,059
Corporate Guarantee given on behalf of the Company	900,000,000	900,000,000	1,500,000,000	1,500,000,000	-	-	2,400,000,000	2,400,000,000

+ Amount is inclusive of taxes

Signature



WELSPUN CAPTIVE POWER GENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

38 Dues to Micro and Small Enterprises:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises and Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	Year Ended March 31, 2015 Rs.	Year Ended March 31, 2014 Rs.
i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	29,610
ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	1,510,203
iv) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
v) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
vi) Interest due and payable towards suppliers registered MSMED Act, for payments already made	-	42,506
vii) Further interest remaining due and payable earlier years	-	-

The above information and that given in Note 8 – "Trade Payable" regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

39 Lease

Where the Company is a lessee:

Operating Lease

The Company has taken equipments under operating lease where agreements are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for six months. The aggregate rental expenses of all the operating leases for the year are Rs. Nil (Previous Year: Rs. 16,380,000)

40 Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	Currency	As at March 31, 2015	As at March 31, 2014
Acceptances	INR	255,832,844	258,031,680
	USD	4,093,326	4,323,960
Trade and Other Payables	INR	8,561,511	-
	USD	136,984	-

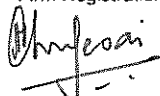
41 Current Taxation

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

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

Signature to Notes to financial statements

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



Mehul Desai
Partner
Membership No. 103211

Place: Mumbai
Date: April 28, 2015

For and on behalf of Board of Directors



Malay Mahanti
Director and CFO
DIN: 07005344

Place: Mumbai
Date: April 28, 2015



D. K. Patil
Director
DIN: 00062784



Shashikanth Thorat
Company Secretary

