

SURESH SUREKA & Co.  
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,  
MATUNGA ROAD (W), MUMBAI 400 016.  
TEL.: 2430 6150, 2432 7608  
Email: suresh@surekas.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WELSPUN NATURAL RESOURCES PRIVATE LIMITED

Report on the Financial Statements

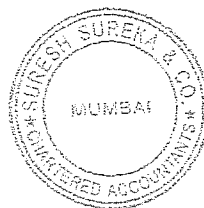
1. We have audited the accompanying financial statements of WELSPUN NATURAL RESOURCES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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



7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date

**Report on Other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B. a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - i) The Company does not have any pending litigations as at March 31, 2016 which would impact its financial position.



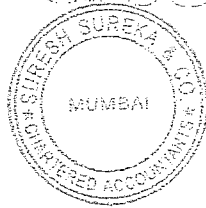
SURESH SUREKA & Co.  
CHARTERED ACCOUNTANTS

- ii) The Company does not have any long-term contracts as at March 31, 2016 for which there could be any material foreseeable losses. The Company does not have derivative contracts as at March 31, 2016.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For and on behalf of  
FOR SURESH SUREKA & CO.  
Chartered Accountants  
Firm's Registration No. 140173W



Suresh Sureka  
Partner  
Membership No. 34132



Place : Mumbai  
Date : 18/5/2016

**SURESH SUREKA & Co.**  
CHARTERED ACCOUNTANTS

45 C, MANDHANA MANOR, MOGAL LANE,  
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**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of **WELSPUN NATURAL RESOURCES PRIVATE LIMITED** on the financial statements as of and for the year ended March 31, 2016

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

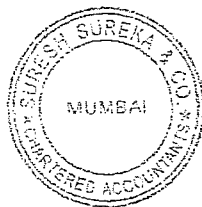
1. We have audited the internal financial controls over financial reporting of **WELSPUN NATURAL RESOURCES PRIVATE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of  
FOR SURESH SUREKA & CO.  
Chartered Accountants  
Firm's Registration No. 140173W

Suresh Sureka  
Partner  
Membership No. 34132

Place : Mumbai  
Date : 18/5/2016



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**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of **WELSPUN NATURAL RESOURCES PRIVATE LIMITED** on the financial statements as of and for the year ended March 31, 2016

- i. The Company does not have any fixed assets. Hence the question of records and physical verification thereof does not arise.
- ii. The Company does not have any inventory. Hence, the question of verification thereof does not arise.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its business.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax, and is regular in depositing undisputed statutory dues, and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company does not have any borrowings from banks or financial institutions. However, the Company has issued 0% Compulsorily Convertible Debentures during the year. Hence the question of any default does not arise.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of term loans nor by way of initial public offer.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid nor provided for any managerial remuneration during the year.



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- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For and on behalf of  
SURESH SUREKA & CO.  
Chartered Accountants  
Firm's Registration No. 140173W



Suresh Sureka  
Partner  
Membership No. 34132

Place : Mumbai  
Date : 18/5/2016




**WELSPUN NATURAL RESOURCES PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

(Amount in Rupees)

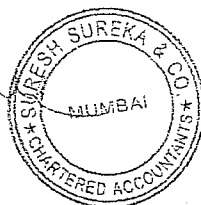
Sr. No.	Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
	(a) Share Capital	2	31,87,50,000	31,87,50,000
	(b) Reserves and Surplus	3	(14,75,13,284)	(14,68,82,847)
			17,12,36,716	17,18,67,153
<b>2 Non-current liabilities</b>				
	(a) Long-term borrowings	4	3,02,34,48,664	2,55,04,42,839
<b>3 Current liabilities</b>				
	(a) Other current liabilities	5	5,45,607	46,66,712
	(b) Short term provisions	6	4,50,000	-
			9,95,607	46,66,712
	<b>TOTAL</b>		<b>3,19,56,80,987</b>	<b>2,72,69,76,704</b>
<b>II. ASSETS</b>				
<b>1 Non-current assets</b>				
	(a) Fixed assets			
	(i) Capital Work in Progress		57,26,02,487	57,26,02,487
	(b) Non-current investments	7	20,04,15,380	13,11,15,380
	(c) Long-term loans and advances	8	2,42,13,89,214	2,02,29,14,200
			3,19,44,07,081	2,72,66,32,067
<b>2 Current assets</b>				
	(a) Cash and cash equivalents	9	12,24,906	2,95,636
	(b) Short-term loans and advances	10	49,000	49,000
			12,73,906	3,44,637
	<b>TOTAL</b>		<b>3,19,56,80,987</b>	<b>2,72,69,76,704</b>

See accompanying notes from 1 to 14 forming part of the financial statements

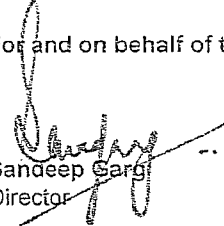
As per our Report of even date  
**FOR SURESH SUREKA & CO.**  
 FRN : 140173W  
 Chartered Accountants

  
**Suresh Sureka**  
 Partner  
 Membership No: 34132

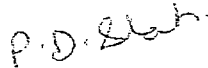
Place: Mumbai  
 Date: May 18, 2016



For and on behalf of the Board of Directors

  
**Sandeep Sarg**  
 Director

DIN : 00036419

  
**Paras Shah**  
 Company Secretary

Place : Mumbai  
 Date: May 18, 2016

  
**Shrinivas Karguikar**  
 Director  
 Chief Financial Officer  
 DIN : 06926585





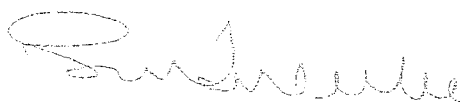
WELSPUN NATURAL RESOURCES PRIVATE LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rupees)

Sr. No.	Particulars	Note No.	Year ended March 31, 2016	Previous Year ended March 31, 2015
I.	<u>Income</u>			
	Revenue from Operations		-	-
	Other Income	11	12,16,911	1,772
	<b>Total Revenue</b>		<b>12,16,911</b>	<b>1,772</b>
II.	<u>Expenses</u>			
	Finance Costs	12	1,033	4,278
	Other expenses	13	12,46,315	59,63,833
	<b>Total Expenses</b>		<b>12,47,348</b>	<b>59,68,111</b>
III.	Profit before exceptional items and tax		(30,437)	(59,66,339)
IV.	Add/(Less) : Exceptional items	14	-	(30,56,26,590)
V.	Profit after exceptional items and before tax		(30,437)	(31,15,92,929)
VI.	Tax expense:			
	Current tax		4,50,000	-
VII.	Profit (Loss) for the period from continuing operations		(4,80,437)	(31,15,92,929)
VIII.	Profit/(loss) from discontinuing operations		-	-
IX.	Tax expense of discontinuing operations		-	-
X.	Profit/(loss) from Discontinuing operations (after tax)		-	-
XI.	Profit (Loss) for the period		(4,80,437)	(31,15,92,929)
XII.	Earnings per equity share (Face Value Rs 10 per share):			
	1. Basic (In Rupees)		(0.015)	(159.20)
	2. Diluted (In Rupees)		(0.015)	(159.20)
	Weighted average number of shares used in computing		3,16,75,000	19,57,192

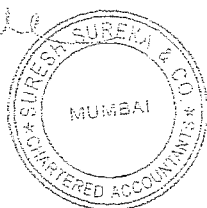
See accompanying notes from 1 to 14 forming part of the financial statements

As per our Report of even date  
FOR SURESH SUREKA & CO.  
FRN : 140173W  
Chartered Accountants

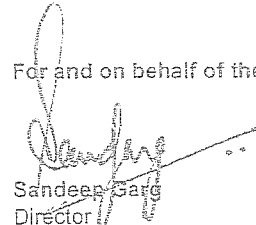


Suresh Sureka  
Partner  
Membership No: 34132

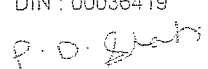
Place: Mumbai  
Date: May 18, 2016



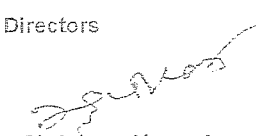
For and on behalf of the Board of Directors

  
Sandeep Garg  
Director

DIN : 00036419

  
Paras Shah  
Company Secretary

Place : Mumbai  
Date: May 18, 2016

  
Shrinivas Kargutkar  
Director  
Chief Financial Officer  
DIN : 06926585



**WELSPUN NATURAL RESOURCES PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

**ANNEXED TO THE BALANCE SHEET**

Particulars	31.03.2016 (Rs.)	31.03.2015 (Rs.)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and exceptional items	-30,437	(59,66,339)
Adjustments for:		
Interest income	(12,16,911)	-
Unrealised exchange difference income	-	-
Sundry Balance written off	-	-
<b>Operating Profit before working capital changes</b>	<b>-12,47,348</b>	<b>(59,66,339)</b>
Trade and other receivables	-39,84,75,013	(1,23,82,57,096)
Trade and other payables	-41,21,105	18,63,338
	-40,25,96,118	(1,23,63,93,759)
<b>Cash generated from operations</b>	<b>-40,38,43,466</b>	<b>(1,24,23,60,098)</b>
Taxes paid (net)	-	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>-40,38,43,466</b>	<b>(1,24,23,60,098)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Including Capital Work in Progress)	-	(2,99,67,043)
Investment made during the year	-6,93,00,000	-
Interest Income	12,16,911	-
	-6,80,83,089	(2,99,67,043)
<b>NET CASH USED IN INVESTING ACTIVITY</b>	<b>-6,80,83,089</b>	<b>(2,99,67,043)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Shares	-	30,00,00,000
Securities Premium paid	(1,50,000)	-
Proceeds from long term borrowings (Net)	47,30,05,825	96,82,72,915
<b>NET CASH FROM FINANCING ACTIVITY</b>	<b>47,28,55,825</b>	<b>1,26,82,72,915</b>
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,29,270</b>	<b>(40,54,226)</b>
Cash and cash equivalent Opening balance	2,95,636	43,49,862
Cash and cash equivalent Closing balance	12,24,906	2,95,636

**Notes:**

1. The cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash flow statements issued by the Institute of Chartered Accountants of India.

**FOR SURESH SUREKA & CO.**

Chartered Accountants

FRN : 140173W

**Suresh Sureka**

Partner

Membership No: 34132

Place: Mumbai

Date: May 18, 2016



For and on behalf of the Board of Directors

*Sandeep Garg*  
Sandeep Garg  
Director

DIN : 00036419

*Paras Shah*  
Paras Shah  
Company Secretary

Place: Mumbai

Date: May 18 2016

*Shrinivas Kargu*  
Shrinivas Kargu  
Director  
Chief Financial Officer  
DIN : 06926585



WELSPUN NATURAL RESOURCES PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 1 Significant Accounting Policies

1 Basis of Preparation of Financial Statements :

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, and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services 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 or non-current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statement are consistent with those of previous year.

2 Use of estimates:

The preparation of financial statements in accordance with the generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of the assets and liabilities, disclosures of contingent liabilities as of the date of financial statements. Actual result could differ from these estimates. Any revision of such accounting estimate is recognized prospectively in current and future periods.

Note 2 Share Capital

(a) Share Capital (Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised		
320,00,000 (Previous Year 320,00,000) Equity Shares of Rs. 10 each	32,00,00,000	32,00,00,000
Issued,Subscribed and Paid up		
318,75,000 (Previous Year 318,75,000) Equity Shares of Rs.10 each fully paid up	31,87,50,000	31,87,50,000
	31,87,50,000	31,87,50,000
Total	31,87,50,000	31,87,50,000

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Equity Shares :-				
Balance as at the beginning of the year	3,18,75,000	31,87,50,000	18,75,000	1,87,50,000
Add:Shares Issued during the year	-	-	3,00,00,000	30,00,00,000
Balance as at the end of the year	3,18,75,000	31,87,50,000	3,18,75,000	31,87,50,000

(c) Details in respect of each class in the company held by the holding company and its associates

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of shares held	% of holding
Holding Company :-				
Welspun Enterprises Limited *	3,18,75,000	100	3,18,75,000	100
Total	3,18,75,000	100	3,18,75,000	100

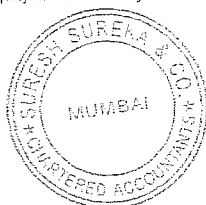
(d) Details of Shareholders holding more than 5% shares shares of the aggregate shares in

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Welspun Enterprises Limited *	3,18,75,000	100	3,18,75,000	100
Total	3,18,75,000	100	3,18,75,000	100

\* Formerly known as Welspun Projects Limited

(e) The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting.

In the event of Liquidation of the company, the holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



WELSPUN NATURAL RESOURCES PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note 3 Reserves And Surplus

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Reserves :-</b>		
Securities Premium Account		
Balance as per last Balance Sheet	16,53,50,000	16,78,50,000
Add: Share issued expenses written off	(1,50,000)	(25,00,000)
	<u>16,52,00,000</u>	<u>16,53,50,000</u>
Profit and Loss Account		
Balance as per last Balance Sheet	(31,22,32,847)	(6,39,918)
Add: Net Profit/(Net Loss) for the current period	(4,80,437)	(31,15,92,929)
	<u>(31,27,13,284)</u>	<u>(31,22,32,847)</u>
<b>Total</b>	<b>(14,75,13,284)</b>	<b>(14,68,82,847)</b>

Note 4 Long-term borrowings

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured Debentures		
14,424,022 (PY 9,695,923) 0% Compulsorily Convertible Debentures of Rs 100 each fully paid up.	1,44,24,02,200	96,96,92,300
Loans and advances from related parties :-		
Interest free Unsecured Loan from Welspun Enterprise Ltd (Holding Company) *	1,58,10,46,464	1,58,07,50,539
<b>Total</b>	<b>3,02,34,48,664</b>	<b>2,55,04,42,839</b>

\* Formerly known as Welspun Projects Limited

Note 5 Other Current Liabilities

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Expenses	43,884	26,54,584
Creditors for Expenses	4,19,787	19,68,624
Retention Money Payable	5,396	-
Statutory Dues Payable	76,540	43,504
<b>Total</b>	<b>5,45,607</b>	<b>48,66,712</b>

Note 6 Short Term Provisions

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for Current Tax	4,50,000	-
<b>Total</b>	<b>4,50,000</b>	<b>-</b>

Note 7 Non Current Investments

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade (unquoted) (Valued at Cost)		
l) Investments In Equity Shares of Joint Venture		
Adani Welspun Exploration Limited	20,04,15,380	13,11,15,380
4,654,997 (PY 3,499,997) Equity Shares of Rs 100 each fully paid up.		
<b>Total</b>	<b>20,04,15,380</b>	<b>13,11,15,380</b>

Note 8 Long Term Loans and Advances

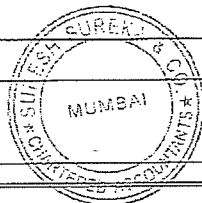
(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good)		
Loans and Advances to Related Parties	2,22,87,52,645	1,82,41,33,645
Balance with Government Authorities - Direct Tax	2,52,35,221	3,14,94,913
Balance with Government Authorities - Indirect Tax	1,15,706	-
Interest Receivable	16,72,85,642	16,72,85,642
<b>Total</b>	<b>2,42,13,89,214</b>	<b>2,02,29,14,200</b>

Note 9 Cash and Cash Equivalents

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Balance with Banks		
Balance with Banks - In Current Accounts	12,24,906	2,95,636
<b>Total</b>	<b>12,24,906</b>	<b>2,95,636</b>



WELSPUN NATURAL RESOURCES PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note 10 Short Term Loans and Advances

(Amount in Rupees)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good Security deposits	49,000	49,000
<b>Total</b>	<b>49,000</b>	<b>49,000</b>

Note 11 Other Income

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Previous Year ended March 31, 2015
Interest on Income Tax Refund	12,16,911	-
Other Income	-	1,772
<b>Total</b>	<b>12,16,911</b>	<b>1,772</b>

Note 12 Finance Costs

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Previous Year ended March 31, 2015
Bank Charges	1,033	4,278
<b>Total</b>	<b>1,033</b>	<b>4,278</b>

Note 13 Other Expenses

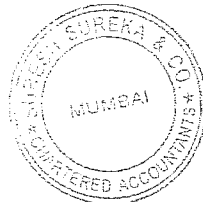
(Amount in Rupees)

Particulars	Year ended March 31, 2016	Previous Year ended March 31, 2015
Filing Fees & Registration Charges	79,855	12,923
Audit Fees	33,300	25,000
Lease Rent	-	1,72,167
Leave & License Fees	6,29,650	6,54,616
Legal & Professional Charges	6,560	1,86,538
Interest on Delayed Payment of TDS	-	78,563
Interest on Service Tax	-	12,102
Printing & Stationary	-	1,470
Reles and Taxes	2,317	-
Repairs and Maintenance	-	19,96,530
Equipment Hire Charges	-	2,69,817
Security Charges	2,82,133	3,71,043
Demobilization Charges	-	1,19,294
Drilling Charges	-	14,27,374
Mobilization Charges	-	4,45,816
Civil Consultancy Charges	-	1,36,090
Labour Charges	-	52,500
Board Sitting Fees	2,12,500	-
<b>Total</b>	<b>12,46,315</b>	<b>59,63,833</b>

Note 14 Exceptional Items

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Previous Year ended March 31, 2015
Write off of Investment in WPPL	-	(4,87,50,000)
Write off of Loan to AWEL	-	(25,68,76,590)
<b>Total</b>	<b>-</b>	<b>(30,56,26,590)</b>



WELSPUN NATURAL RESOURCES PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note 15 Other Significant Notes

- 1 In the opinion of the Board the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business and Provision for all the known liabilities have been made in the accounts.
- 2 In the opinion of the Management, investments have been categorised as long term investments. In view of this no provision is made for diminution, if any, in value of investments.
- 3 The Directorate General of Hydrocarbons have served termination notice on the ground that the designated operator in respect of the Block M/s Naftogaz India Pvt Ltd -"NIPL" had allegedly committed misrepresentation by falsely representing itself as the subsidiary of Naftogaz, Ukraine which has 10 % stake in the Block. Adani Group Companies-"Adani"-(55%) and Welspun Natural Resources Private Limited-"Welspun" (35%) together holding 90 % stake in the Block, have contested this notice. The Company has already made representations to the Government expressing its willingness to carry put the activities and to consider the Block as valid and live. Pending a decision from the Government on the representation made by the Company, it has been decided to carry the amount spent on the said block in the balance sheet, till the final outcome.
- 4 Accounting for Taxes on Income
  - Current tax is determined as the amount of tax payable in respect of taxable income of the year computed as per Income Tax Act, 1961.
  - Deferred tax is recognised subject to consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent period and measured using prevailing enacted or substantively enacted tax rates.
- 5 Related Party Disclosure:-  
As per Accounting Standard 18, the disclosure with related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year is given below.

Welspun Enterprises Ltd - Holding Company

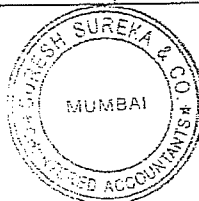
Key Management Personnel	Director
Mr Sandeep Garg	Director
Mr Apurba Kumar Dasgupta	Director
Mr Shrinivas Kargutkar	Director
Mr Dadi Bejonji Engineer	Director

Transaction with Related Parties :

(Amount in Rupees)

Particulars	Year ended March 31, 2016	Previous Year ended March 31, 2015
Application money received for CCD Welspun Enterprises Limited *	47,27,09,900	1,26,96,92,300
Conversion of Application money into CCD Welspun Enterprises Limited *	47,27,09,900	1,26,96,92,300
Conversion of CCD into Equity Capital Welspun Enterprises Limited *	-	30,00,00,000
Loan Given during the year Welspun Enterprises Limited *	-	3,48,96,393
Adani Welspun Exploration Limited	47,86,89,767	1,28,80,25,509
Loan Repaid/ Written off during the year Welspun Enterprises Limited *	-	34,16,28,712
Adani Welspun Exploration Limited	47,70,767	34,05,66,750
Loan Taken during the year Welspun Enterprises Limited *	2,95,925	39,450
Loan taken repaid during the year Welspun Enterprises Limited *	-	39,450
Welspun Corp Limited	-	14,19,460
Conversion of Loan into Investment during the year Adani Welspun Exploration Limited	6,93,00,000	-
<b>Closing Balance</b>		
Receivables Adani Welspun Exploration Limited	2,22,87,52,645	1,82,41,33,645
Interest Receivable during the period Adani Welspun Exploration Ltd.	16,72,85,642	16,72,85,642
Investment in Adani Welspun Exploration Ltd.	20,04,15,380	13,11,15,380
Long Term Borrowing Welspun Enterprises Limited *	1,44,24,02,200	96,96,92,300
Unsecured Loan Taken Welspun Enterprise Limited *	1,58,10,46,464	1,58,07,50,539

\* Formerly known as Welspun Projects Limited



WELSPUN NATURAL RESOURCES PRIVATE LIMITED  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

6 Audit Fees :

Particulars	(Amount in Rupees)	
	Year ended March 31, 2016	Previous Year ended March 31, 2015
Audit Fee	33,300	25,000

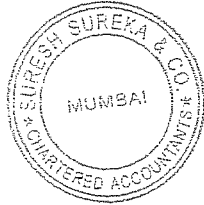
7 Figures of the Previous periods are reclassified/ rearranged/ regrouped wherever necessary.

As per our Report of even date  
FOR SURESH SUREKA & CO.  
FRN : 140173W  
Chartered Accountants

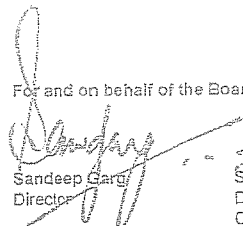


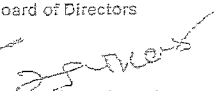
Suresh Sureka  
Partner  
Membership No: 34132

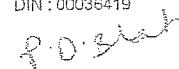
Place: Mumbai  
Date: May 18, 2016



For and on behalf of the Board of Directors

  
Sandeep Garg  
Director  
DIN : 00036419

  
Shrinilwas Kargutkar  
Director  
Chief Financial Officer  
DIN : 05926585

  
Paras Shah  
Company Secretary

Place : Mumbai  
Date: May 18, 2016



