

## AGM NOTICE

**NOTICE** is hereby given that 14<sup>th</sup> Annual General Meeting of the Members of **WELSPUN GLOBAL BRANDS LIMITED** will be held at the Registered Office of the Company at Welspun City, Survey No. 675, Village Varsamedi, Anjar, Dist. Kutch, Gujarat – 370110 on Tuesday, August 14, 2018 at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

- 1) To consider and adopt the audited financial statements, on standalone basis, for the financial year ended March 31, 2018 and the reports of the Board of Directors and the Auditors thereon.
- 2) To appoint a Director in place of Ms. Dipali Goenka (DIN 00007199), who retires by rotation, and being eligible, offers herself for re-appointment.
- 3) To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the approval of the Board, the appointment of S R B C & CO LLP (having Firm Registration Number 324982E/E300003), as the statutory auditors of the Company to hold office from the conclusion of this i.e. 14<sup>th</sup> Annual General Meeting until the conclusion of the 18<sup>th</sup> Annual General Meeting be and is hereby ratified by the members of the Company on such remuneration as may be determined by the Board of Directors.”

### SPECIAL BUSINESS:

- 4) To consider, and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 4, 13 and all other applicable, provisions if any, of the Companies Act, 2013 (as amended) (the “Act”), the Companies (Incorporation) Rules, 2014 (as amended) to the extent applicable, and subject to such necessary registrations, approvals, consents, permissions and sanctions, if any by the Registrar of Companies (“ROC”), Gujarat and/ or any other appropriate authority (ies) and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authority (ies), the Memorandum of Association of the Company be and is hereby altered by insertion of sub-clauses 1A after the existing sub-clause 1 of Part A of Clause III of Memorandum of Association:

- 1A. To carry on trade or business of manufacturing, producing, buying, selling, importing, exporting and otherwise generally dealing in any kinds and description of Tufted Carpet Tiles/Wall to Wall Carpet, rigid tiles made of Carpet                      Yarn viz Bulk                      Continuous                      Filament

yarn (BCF), and Drylon Yarn, all types of natural, manmade fibre, Stone, PVC, PVC Composite or any other natural or man-made material and other products allied to carpet, furnishing, surface covering, interiors (whether residential, commercial or otherwise), including and for that purpose to set up all plants and machinery and related equipments and to carry on the business of manufacturing, wholesale or retail, importing, exporting, buying, selling, dealing, acting as agents, stockists, distributors and suppliers in all kind of house and office furnishers, upholsters and dealers in and hirers, repairers, cleaners, storers and warehousers of furniture, carpets, woven carpets, linoleums, furnishing fabrics and other floor coverings, fibre coverings, household utensils, china and glass goods fittings, colourful curtain, home furnishings, whether hand-made or otherwise and carpets, household requisite of all kinds and all things capable of being used therewith or in the maintenance repair thereof and to carry on the business of manufacturers, repairers, importers, exporters or otherwise dealers in furniture and fixtures made from wood, brass, steel, fibre glass, plastics or other alloys.

**“RESOLVED FURTHER THAT** any Director of the Company, the Chief Financial Officer and the Company Secretary, be and are hereby severally authorized to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, including agreeing to any change to the aforesaid sub-clause 1A of the Memorandum of Association of the Company, as may be required by the ROC and/or any statutory/regulatory authority(ies).”

**By Order of the Board**



**Nidhi Tanna**  
**Company Secretary**  
**ACS - 30465**

Place: Mumbai  
Date: May 16, 2018

**Registered Office:**

Survey No. 675, Welspun City,  
Village Versamedi, Taluka Anjar,  
District Kutch, Gujarat – 370110  
Tel. No.: +91 2836 661111, Fax No.: +91 2836 279010  
CIN: U71210GJ2004PLC045144  
Website: <http://www.welspunindia.com/>  
Email: Companysecretary\_WGBL@welspun.com

## NOTES

1. A statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the special business under Item No. 1 of the Notice is annexed hereto.
2. In terms of Section 152 of the Act, Ms. Dipali Goenka (DIN 00007199), Director, retires by rotation at the Meeting and being eligible has offered herself for re-appointment. Accordingly, a brief resume of Ms. Dipali Goenka is provided as Annexure – 1 forming part of the Notice.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxy forms, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
4. Proxy shall not have the right to speak and shall not be entitled to vote except on a poll.
5. A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy for his entire shareholding and such person shall not act as proxy for any other person or shareholder.
6. An instrument of proxy is valid only if it is properly stamped as per the applicable law. Unstamped or inadequately stamped proxies or proxies upon which the stamps have not been cancelled are invalid.
7. The proxy-holder shall prove his identity at the time of attending the Meeting.
8. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company's Registrar and Transfer Agent.
9. A proxy form which does not state the name of the proxy shall not be considered valid. Undated proxy shall not be considered valid and if the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last shall be considered valid. If they are not dated or bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
10. When a Member appoints a proxy and both the member and proxy attend the Meeting, the proxy stands automatically revoked.
11. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are

requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

12. All the correspondence pertaining to shareholding, transfer of shares, transmission etc. should be lodged at the Company's Registrar and Transfer Agents: Purva Shareregistry (India) Private Ltd., Unit: Welspun Global Brands Limited, unit No. 9, Shiv Shakti Ind. Estt. J.R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400 011. Tel. No. 022-2301 6761, 022-2301 8261, Fax No. 022-2301 2517, email- [busicomp@vsnl.com](mailto:busicomp@vsnl.com), website - [www.purvashare.com](http://www.purvashare.com)
13. Members are requested to immediately inform about their change of address, change of e-mail address, if any, to the Company's Share Transfer Agent.
14. The physical copies of the Annual Reports and other documents referred to in the Notice will be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting.
15. The Register of Directors and Key Managerial Personnel and their shareholdings, maintained under Section 170 of the Act, will be available for inspection by the Members at the Meeting.
16. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members at the Meeting.
17. The shareholders who wish to nominate any person to whom his securities shall vest in the event of his death may do so by submitting the attached Nomination Form to the Company or the Registrar and Transfer Agent of the Company. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.

**By Order of the Board**



**Nidhi Tanna**  
**Company Secretary**  
**ACS - 30465**

Place: Mumbai  
Date: May 16, 2018

**Registered Office:**

Survey No. 675, Welspun City,  
Village Versamedi, Taluka Anjar,  
District Kutch, Gujarat – 370110  
Tel. No.: +91 2836 661111, Fax No.: +91 2836 279010  
CIN: U71210GJ2004PLC045144  
Website: <http://www.welspunindia.com/>  
Email: [Companysecretary\\_WGBL@welspun.com](mailto:Companysecretary_WGBL@welspun.com)

**Details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting**

**Annexure 1**

**Ms. Dipali Goenka**

Name	Dipali Goenka
Date of Birth	October 13, 1969
Date of Appointment	December 07, 2012
Qualifications	Graduate in Psychology
Nature of his expertise in specific functional areas	Ms. Goenka has been the driving force in launching the Welspun Brand in the domestic as well as international market. She has single handedly driven the Company by looking after overall marketing activities of home textiles business of Welspun which mainly included spearheading business in new markets, products developments and positioning in various markets / with various customers. She has been in charge of operations of the Company for over 12 years now. She is in-charge of the day to day business of the Company as well as the textile business of Welspun which includes Welspun India Limited.
Disclosure of relationships with other Directors and Key Managerial Personnel	None
Names of companies in which the person also holds the directorship	Welspun Global Brands Limited, Welspun Zucchi Textiles Limited, Welspun Flooring Limited, Alspun Infrastructure Limited, Welspun Logistics Limited, Friends Connections Private Limited, Sequence Apartments Private Limited, MGN Agro Properties Private Limited, Welspun Captive Power Generation Limited, Rank Marketing LLP, Prasert Multiventure Private Limited, Novelty Home Textile SA de C.V., Mexico, Social Accountability Accreditation Services, New York, USA, Tilt Textiles Inc., Welspun Nexgen Inc., E.R. Kingsley (Textiles) Limited, Christy 2004 Limited, Christy UK Limited, Welspun UK Limited, Christy Home Textiles Limited, CHT Holdings Limited, Welspun Home Textiles UK Limited, Welspun USA Inc.

Names of companies and committees, of its Boards, in which the person holds membership	<b>Welspun India Limited</b> Corporate Social Responsibility Committee – Member <b>Welspun Global Brands Limited</b> Corporate Social Responsibility Committee – Member <b>Welspun Captive Power Generation Limited</b> Corporate Social Responsibility Committee – Member
No. of shares held in the Company	-
No. of Board meetings attended	Refer Directors Report for the FY 2017-18

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

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

To,  
The Company Secretary,  
Welspun Global Brands Limited  
Survey No. 675, Welspun City,  
Village Versamedi, Taluka Anjar,  
District Kutch, Gujarat – 370110.

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

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

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

**2. PARTICULARS OF NOMINEE/S —**

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

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

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

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

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:

- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with the minor nominee:

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

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

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

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

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

**Instructions:**

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



(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**Name of the Company:** WELSPUN GLOBAL BRANDS LIMITED

**Corporate Office :** Welspun House, 6<sup>th</sup> Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013. Board : +91 -22-66136000 Fax: +91-22-2490 8020

.....

[illegible]

Id:

[illegible][illegible]

**1. Name)**

1. The first part of the document is a title page. It contains the title of the report, the author's name, and the date of the report. The title is "The Impact of Climate Change on the Environment". The author is "John Doe". The date is "10/10/2023".

E-mail

Id: \_\_\_\_\_

—

Signature :

\_\_\_\_\_ ; or

failing him

**2. Name)**

: \_\_\_\_\_

—

**Address :**

\_\_\_\_\_

E-mail

Id: \_\_\_\_\_

—

Signature :

\_\_\_\_\_ ; or

failing him

**3. Name)**

: \_\_\_\_\_

—

**Address :**

\_\_\_\_\_

E-mail

Id: \_\_\_\_\_

—

Signature :

\_\_\_\_\_

as my / our proxy attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on August 14, 2018 at 11.00 a.m. at the Registered Office of the Company at Survey No. 675, Welspun City, Village Versamedi, Taluka Anjar, District Kutch, Gujarat – 370110 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject of the Resolution	Voting	
		For	Against
1	Consider and adopt Audited Financial Statements (standalone), report of the Board of Directors and Auditors thereon.		
2	Re-appointment of Ms. Dipali Goenka as a director of the Company, liable to retire by rotation.		
3	Ratification of appointment of S R B C & CO LLP (having Firm Registration Number 324982E/E300003), as the Statutory Auditors of the Company		
4	Alteration of object clause		

Signed this ..... day of .....2018.

Affix Re. 1 Revenue stamp
------------------------------------

Signature of shareholder \_\_\_\_\_

Signature of Proxy Holder(s) : 1) \_\_\_\_\_ 2) \_\_\_\_\_  
 3) \_\_\_\_\_

**Note:**

- 1) Please complete all the details including details of member(s) in the above Box before submission.
- 2) It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- 3) **A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
- 4) The Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**WELSPUN GLOBAL BRANDS LIMITED****CIN : L17110GJ1985PLC033271**

**Registered Office :** Survey No. 675, Welspun City, Village Versamedi, Taluka Anjar,  
District Kutch, Gujarat – 370110, India. Board No.: +91 2836 661111, Fax No. + 91  
2836 279010, Email : [CompanySecretary\\_WGBL@welspun.com](mailto:CompanySecretary_WGBL@welspun.com) Website:  
[www.welspunindia.com](http://www.welspunindia.com)

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

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

To,  
The Company Secretary,  
Survey No. 675, Welspun City,  
Village Versamedi, Taluka Anjar,  
District Kutch, Gujarat – 370110.

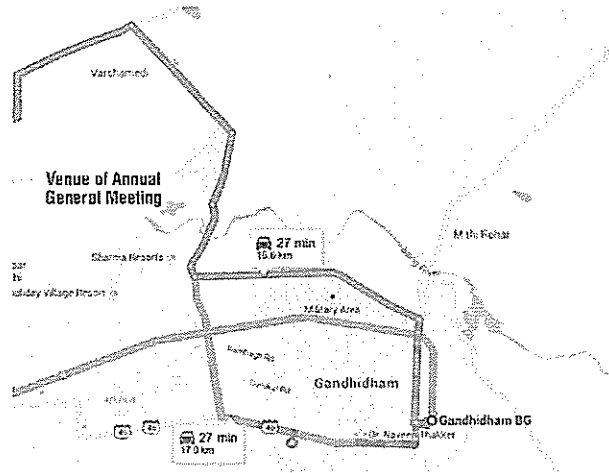
I/ we the members of the Company do hereby request you to kindly register/ update my e-mail address with the Company. I/ We, do hereby agree and authorize the Company to send me/ us all the communications in electronic mode at the e-mail address mentioned below. Please register the below mentioned e-mail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

Folio No.	:	DP ID	–	:	Client ID	:
Name of the Registered Holder (1 <sup>st</sup> )				:		
				:		
Name of the joint holder(s)				:		
				:		
Registered Address				:		
				:		
				Pin:		
Mobile Nos. (to be registered)				:		
E-mail Id (to be registered)				:		

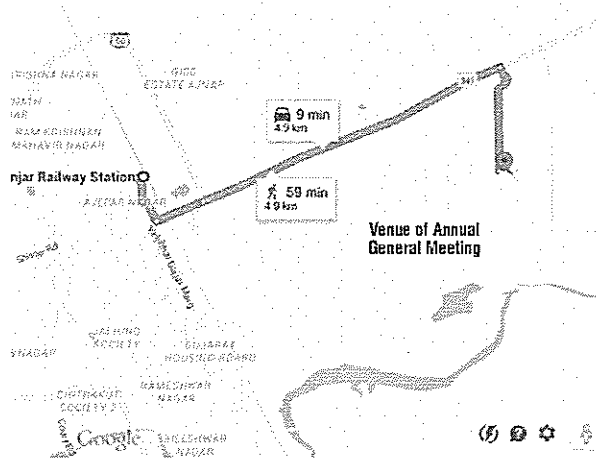
\_\_\_\_\_  
**Signature of the Shareholder(s)\***

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

## Route Maps



## Gandhidham Station to Welspun



## Anjar Station to Welspun

## DIRECTORS' REPORT

To  
The Members  
**WELSPUN GLOBAL BRANDS LIMITED**

Your Directors have pleasure in presenting the 14<sup>th</sup> Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2018.

### 1. Financial Highlights:

Particulars	Rs. million	
	Standalone	
	For the year ended	
	31.03.2018	31.03.2017
Revenue from Operations	46,646.85	51,644.20
Other Operating Income	3,106.14	4,007.98
Other Income	326.22	39.80
<b>Total Revenue</b>	<b>50,079.21</b>	<b>55,691.98</b>
Expenses	49,363.75	54,680.85
<b>Profit/(Loss) before exceptional items and Tax</b>	<b>715.46</b>	<b>1,011.13</b>
Exceptional items (Net)	-	399.28
<b>Profit/(Loss) before Tax</b>	<b>715.46</b>	<b>611.85</b>
Income tax expense	251.53	248.73
<b>Profit for the year</b>	<b>463.93</b>	<b>363.12</b>
<b>Earnings per share (Basic &amp; Diluted)</b>	<b>19.72</b>	<b>15.43</b>

### 2. Performance and Outlook:

During the year under review, your Company's total revenue decreased to Rs. 46,646.85 million, a decline of 9.68% over the previous year. Destocking by the Retailers, impact of currency and revision in rates for duty drawback and Rebate State Levies resulted into degrowth in topline. Profit before tax was Rs. 715.46 million i.e. 16.93% higher than the previous year. Profit for the year is Rs. 463.93 million i.e. 27.76% higher than the previous year. Your Company has been continuously striving to increase its efficiency and productivity.

### **3. Dividend:**

Considering business environment worldwide, the directors recommend to plough back profit earned during the period for further strengthening the business and hence, do not recommend any dividend.

### **4. Subsidiaries:**

A report on the performance and financial position of each of the subsidiary companies of your Company included in the financial statement presented in Form AOC-1 attached as Annexure - 1 to this Report. Your Company's policy on Material Subsidiary as approved by the Board is hosted on your Company's website and the web link thereto is as given below:

[http://www.welspunindia.com/investors\\_uploads/Policy%20on%20Related%20Part%20Transaction.pdf](http://www.welspunindia.com/investors_uploads/Policy%20on%20Related%20Part%20Transaction.pdf).

### **5. Auditors and Auditors' Report:**

#### **i. Statutory Auditors:**

Your Company's Auditors, S R B C & CO LLP, who were appointed up to the conclusion of the 14<sup>th</sup> Annual General Meeting subject to ratification by the Members of your Company at every Annual General Meeting, have given their consent to continue to act as the Statutory Auditors of your Company for the remaining tenure. The Auditors are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Members are requested to ratify their appointment as the Auditors of your Company by passing an ordinary resolution under Section 139 of the Companies Act, 2013 ("the Act").

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

#### **ii. Secretarial Auditor:**

The Secretarial Auditor Report for FY 2017-18 is attached herewith as Annexure - 2 to this Report and it does not contain any qualification, reservation or adverse remark.

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Uday Sohoni, Practicing Company Secretary, as the Secretarial Auditor of your Company for the FY 2018-19.

### **6. Share Capital:**

During the year, no share with differential voting rights was issued by your Company nor did your Company issue any equity share as sweat equity share and no stock options were issued to the employees of your Company.



## **7. Finance:**

### **i. Credit Rating:**

During the year, your Company's long-term issuer rating is stable at "IND AA-" and short-term issuer rating is stable at "IND A1+" by India Ratings & Research, a Fitch Group company.

### **ii. Deposits:**

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

## **8. Directors and Key Managerial Personnel:**

Your Company's Board comprises of mix of Executive and Non-Executive Directors with considerable experience and expertise across a range of fields such as finance, accounts, legal, management and business strategy. Except for the Independent Directors appointed by the board, all other directors are liable to retire by rotation as per the provisions of the Act. It is confirmed that, except for Balkrishan Goenka and Ms. Dipali Goenka who are husband and wife, there is no relationship between the directors inter-se.

### **i. Directors Retiring by Rotation:**

In accordance with the provisions of Section 152 of the Act and the Articles of Association of your Company, Ms. Dipali Goenka (DIN: 00007199) is retiring by rotation at the forthcoming Annual General Meeting and being eligible, has been recommended for his re-appointment.

The Board has recommended his re-appointment. There were no other appointments / resignation of Directors during the year under review.

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

During the year under review, there were no changes in the appointment / resignation of Key Managerial Personnel pursuant to the provisions of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014.

### **iii. Number of Meetings of the Board:**

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The Board met six (4) times during the FY 2017-18. The detailed information on the meetings of the Board is as under:

Sr. No.	Name of the Director	Category	Board Meetings Attended during the Year 2016-17	Attendance at the Last AGM	No. of other Directorship (as last declared to the Company)			Chairman / Member in No. of Board/ Committees including other Companies (as last declared to the Company)@
					Pub	Pvt	Other Body Corporate	
(1)	Balkrishan Goenka	C,P, NE	4/4	N	7	0	9	2M
(2)	Ms. Dipali Goenka	P,E	4/4	N	6	4	13	-
(3)	Rajesh Mandawewala	P, NE	4/4	N	7	3	6	3M
(4)	Atul Desai	NE,I	4/4	N	7	-	-	5C, 3M
(5)	Arun Tadarwal	NE,I	4/4	Yes	9	3	1	6C, 4M
(6)	K. H. Viswanathan	NE,I	4/4	Yes	6	-	-	3C, 5M
(7)	Ms. Revathy Ashok	NE,I	4/4	Yes	9	2	-	2C, 5M

@ Chairmanship/membership of Audit Committee, Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee and Nomination and Remuneration Committee is considered.

Abbreviations:

C=Chairman, E = Executive Director, I = Independent Director, M=Member, NE = Non-Executive Director, P = Promoter & Promoter Group

In addition to the above, as per the provision of Section 149(8) read with Schedule IV of the Companies Act, 2013, a meeting of the Independent Director was held on March 23, 2018.

#### iv. Committees of the Board:

The Company has following Committees which have been established as a part of the best Corporate Governance Practices and are in compliance with the requirements of the relevant provisions of the applicable laws and statutes:

##### ✓ **Audit Committee:**

The Committee comprises of 3 (Three) Independent Directors. The Committee met 16 times during the year. The composition of the Committee and attendance of the members is given hereunder:

Name of the Member	Member/ Chairman	Number of Meetings Attended
K.H.Viswanathan	Chairman	16/16
Arun Tadarwal	Member	16/16
Atul Desai	Member	15/16

The Company Secretary of the Company, Ms. Nidhi Tanna acts as the Secretary of the Committee.

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

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

✓ **Nomination and Remuneration Committee:**

The Committee comprises of 3 (Three) Independent Director. The Committee met 4 times during the year. The composition of the Committee and attendance of the members is given hereunder:

<b>Name of the Member</b>	<b>Member/ Chairman</b>	<b>Number of Meetings Attended</b>
K. H. Viswanathan	Chairman	4/4
Arun Todarwal	Member	4/4
Atul Desai	Member	4/4

The Company Secretary of the Company, Ms. Nidhi Tanna acts as the Secretary of the Committee.

**Nomination and Remuneration Policy:**

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

**Appointment of Directors:**

- While identifying persons who may be appointed as a director(s), the Committee shall consider business of the Company, strength, weakness, opportunity and threats to Company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and background, skills, expertise, reputation and qualification possessed by the person being considered, specific requirements under the Act and any other laws as applicable.
- While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications and suitability to ensure that such candidates will be able to function as directors 'Independently' and void of any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

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

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

recommendation of the Nomination and Remuneration Committee and by the shareholders. There are no pecuniary transactions entered by the Non-Executive Directors with the Company.

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

✓ **Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee is formed in accordance with Section 135 of the Act.

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

**Composition of the Committee:** The Committee comprises of 3 (Three) members. The Chairman of the Committee is an Independent Director. The Committee met 2 (Two) times during the year.

Name of Member	Member/ Chairman	Meetings Attended
Atul Desai	Chairman	Yes
Rajesh Mandawewala	Member	Yes
Dipali Goenka	Member	Yes

The Company Secretary of the Company, Ms. Nidhi Tanna acts as the Secretary of the Committee.

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

Your Company has received declarations from all the Independent Directors as per the provisions of Section 149(7) of the Act confirming that they meet the criteria of Independence as prescribed under the provisions of Section 149(6) of the Act and that there is no change in the circumstances as on the date of this Report which may affect their respective status as an Independent Director.

#### **vi. Directors' Evaluation:**

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

#### **vii. Familiarization programme for Independent Director(s):**

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

The policy on Company's familiarization programme for Independent Directors is hosted on your Company's website [www.welspunindia.com](http://www.welspunindia.com).

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

Information of amounts of investments made, loans given, guarantees given and security provided by your Company as on March 31, 2018 is as given under:

Rs. million	
Particulars	Amount
Investments	696.58
Loans / Receivable	7.88
Guarantee	-
Security	-
<b>Total</b>	<b>704.46</b>

The investment is made in wholly owned and other subsidiary companies of your Company.

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

All related party transactions that were entered into during the year under report were on an arm's length basis and were in the ordinary course of business, to serve mutual need and mutual interest. There were no materially significant related party transactions made by your Company. The Audit Committee has given its omnibus approval which is valid for one financial year. Your Company's policy on Related Party Transactions as approved by the Board is hosted on your Company's website [www.welspunindia.com](http://www.welspunindia.com). Disclosures as required under the Act are given in Form AOC-2 as Annexure - 3 to this Report.

The details of the related party transactions as required under IND-AS 24 are set out in Note 35 to the Standalone financial statements forming part of this Report.

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

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

Manjari Upadhye, Sr. Vice President – Business Head Office, 43, 09.10.2017, 1.90, MBA, B.Sc, Danone Dairy India, Permanent, 0, No; Mukesh Sawalani, President – Exports Towels & Rugs, 38, 26.07.2001, 1.13, B Text: MMTH, PLD Course from Harvard Business School, Permanent, 0, No.

B] Details of Remuneration to Directors: Refer to Annexure - 4 to this Report

- i. Ms. Dipali Goenka, Managing Director, who is receiving remuneration and commission from your Company, receives Rs. 15 million as remuneration and commission of 1% of profits also from Welspun India Limited, holding Company of your Company.
- ii. Details of managerial remuneration and payments to other directors are given in Annexure – 4 to this report.

## **12. Extract of the Annual Return:**

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached as Annexure – 4 to this Report.

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

Since the Company is not a manufacturing unit the above particulars are not applicable.

## **14. Corporate Social Responsibility (CSR):**

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

The CSR Policy of your Company as approved by the Board of Directors' is hosted on your Company's website and a web link thereto is:

[http://www.welspunindia.com/investors\\_uploads/WGBL-%20CSR%20Policy.pdf](http://www.welspunindia.com/investors_uploads/WGBL-%20CSR%20Policy.pdf)

The initiatives undertaken by your Company during FY 2017-18 in CSR have been detailed in this Report.

Disclosures as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is attached as Annexure – 5 to this Report.

**15. Internal controls:**

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

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

For the year ended March 31, 2018, the Board is of the opinion that your Company has sound IFC commensurate with the nature of its business operations; wherein adequate controls are in place and operating effectively and no material weakness exists. Your Company has a process in place to continuously monitor existing controls and identify gaps and implement new and / or improved controls wherever the effect of such gaps would have a material effect on your Company's operation.

**16. Risk management:**

Your Company is exposed to risks across all levels and functions of the organisation. The Board has approved Enterprise Risk Management Policy (ERMP) to effectively address financial, operational, business, compliance and strategic risk. A structured enterprise risk management program has been formulated and implemented by your Company.

**17. Vigil mechanism:**

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

**18. Foreign Exchange Earnings and Outgo:**

Refer to Note No. 33 and 34 of the audited financial statements for details.

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

Pursuant to Sections 134(3)(c) & 134(5) of the Act, your Directors hereby confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the FY 2017-18;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **20. Miscellaneous Disclosures:**

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



## **21. Acknowledgement:**

Your Directors takes this opportunity to express their deep and sincere gratitude for the faith reposed in, and co-operation extended to, the Company by the Banks, Government Authorities, Customers, Suppliers, Franchisees, members and other business associates of your Company, who through their continued support and co-operation, have helped as the partner in your Company's progress and achievement of its objectives. Your Directors would also like to express a profound sense of appreciation for the commitment, sincere services and continued support shown by the employees of the Company.

**For and on Behalf of the Board**

Sd/-

Mumbai  
Date: May 16, 2018

**Balkrishan Goenka**  
**Chairman**  
**DIN 00270175**

## Annexure 1

### Form AOC - 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)  
Performance and financial position of the subsidiaries

Sr. No.	1	2	3	4	5	6	7	8	9	10	11	12	13
Name of the Subsidiary company	WUSA	#CHL	WUL	CLL	CWG	WHTUKL	CHT	NHT	WMEL	WHPL	ERK	CL	CUL
Reporting period year ended	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18	31-Mar-18
Reporting currency and Exchange rate	USD Rs. 65.18	GBP Rs. 91.38	GBP Rs.91.38	USD Rs. 65.18	Euro Rs. 80.18	GBP Rs.91.38	GBP Rs. 91.38	MXN Rs. 3.58	USD Rs. 65.18	GBP Rs.91.38	GBP Rs.91.38	GBP Rs.91.38	GBP Rs.91.38
Share Capital	9.69	157.84	149.66	-	9.18	731.91	157.84	53.22	16.54	1.62	0.20	-	-
Reserves & Surplus	960.53	151.93	302.99	(73.88)	0.02	(401.64)	151.84	(57.08)	36.57	449.94	53.61	785.24	2.36
Total Assets	7,217.12	1,911.26	779.43	(47.43)	12.34	612.16	1,911.26	-	58.91	452.32	53.79	785.24	2.36
Total Liabilities	6,246.90	1,601.49	326.78	26.45	3.14	281.89	1,601.49	3.86	5.80	0.76	(0.02)	-	-
Investments(e xcluding investments in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	15,390.90	2,724.22	2,359.20	182.48	44.46	-	2,724.22	-	-	-	-	-	-
Profit / (Loss) before Taxation	90.27	(106.35)	(63.88)	(70.73)	4.54	(0.37)	(106.35)	-	(0.11)	(0.66)	-	-	-
Provision for Taxation	53.40	(14.04)	-	14.00	-	-	(14.04)	-	-	-	-	-	-
Profit / (Loss)	36.87	(92.31)	(63.88)	(84.73)	4.54	(0.37)	(92.31)	-	(0.11)	(0.66)	-	-	-

after Taxation													
Proposed Dividend (Equity)	-	-	-	-	-	-	-	-	-	-	-	-	-
% of Share holding	69.17	93.06	93.06	93.06	93.06	93.06	93.06	100.00	100.00	93.06	93.06	93.06	93.06

# Consolidated figures of the Company are given.

Reporting currency and Exchange rate is as on the last date of the relevant financial year in the case of foreign subsidiaries.

WUSA = Welspun USA, Inc., CHL = CHT Holdings Limited, WUL = Welspun UK Limited, CLL = Christy Lifestyle LLC, CWG = Christy Welspun GmbH, WHTUKL = Welspun Home Textiles UK Limited UK, CHT = Christy Home Textiles Limited, NHT = Novelty Home Textiles S A DE C V, WMEL = Welspun Mauritius Enterprises Limited, WHPL = Welspun Holdings Private Limited, ERK = E. R. Kingsley (Textiles) Limited, CL = Christy 2004 Limited, CUL = Christy UK Limited

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

Sd/-

**Balkrishan Goenka**

**Chairman**

DIN 00270175

Sd/-

**Dipali Goenka**

**Managing Director**

DIN 00007199

Sd/-

**Rajesh Mandawewala**

**Director**

DIN 00007179

Sd/-

**Nidhi Tanna**

**Company Secretary**

ACS - 30465

Sd/-

**Mukesh Khandelwal**

**Chief Financial Officer**

May 16, 2018

Mumbai

## **Annexure - 2**

### **Form No. MR -3**

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

### **SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

To,  
The Members,  
**WELSPUN GLOBAL BRANDS LIMITED**  
Survey No. 675, Welspun City, Village Versamedi,  
Anjar - 370110, Gujarat, India.  
CIN: U71210GJ2004PLC045144

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 / The Companies Act, 1956 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

I have also examined compliance with the applicable clauses of the Secretarial Standard issued by The Institute of Company Secretaries of India.

Compliance with the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 / Listing Agreement is not applicable to the Company, since the Company is not listed on any stock exchange.

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

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

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

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

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

Sd/-  
**Uday Sohoni**  
Practising Company Secretary  
ACS 29359, CP 10916  
May 16, 2018  
Mumbai

**Annexure - 3**  
**Form No. AOC-2**

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

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

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

**2. Details of material contracts or arrangement or transactions at arm's length basis.**

(a)	Name(s) of the related party and nature of relationship	Welspun India Limited	Welspun USA, Inc
(b)	Nature of contracts/arrangements/transactions	Purchase of products of the Company	Sale of products of the Company
(c)	Duration of the contracts / arrangements/transactions	Perpetual	Ongoing
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The price for purchase of the products of the Company shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.	The price for purchase of the products of the Company shall be negotiated and agreed to by both parties based on estimated total costs and risk & return considering prevalent market conditions.
(e)	Date(s) of approval by the Board	July 30, 2014	-
(f)	Amount paid as advances, if any:	N.A.	N.A.

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

**Sd/-**  
**Balkrishan Goenka**  
**Chairman**  
**DIN 00270175**

**Mumbai**  
**May 16, 2018**

**Annexure 4**  
**Form No. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2018**

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

**I. REGISTRATION AND OTHER DETAILS**

- i. CIN :- U71210GJ2004PLC045144
- ii. Registration Date : December 14, 2004
- iii. Name of the Company : Welspun Global Brands Limited
- iv. Category / Sub Category of the Company: Public Limited Company
- v. Address of the Registered office and contact details: Survey No. 675,  
Anjar, Welspun City, Gujarat - 370110.  
  
Contact: Director, Tele.: 022-66136000; email id:  
companysecretary\_wgbl@welspun.com.
- vi. Whether listed company: No.
- vii. Name, address and contact details of Registrar and Transfer Agent, if any:  
Purva Sharegistry (India) Private Limited  
Unit no. 9, Shiv Shakti Ind. Estt.  
J. R. Boricha marg,  
Opp. Kasturba Hospital Lane,  
Lower Parel (E),  
Mumbai - 400 011  
Ph. No.: 022-23016761/8261

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

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

Sr. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the company.
1	Trading of Terry Towel, Bed Linen Products, Rugs	46411	97.66%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary / Associate	% Of Shares Held	Applicable Section
1	Christy Lifestyle LLC (USA) 3901, Gantz Road, Grove City, OH 43123	-	Subsidiary	93.06%	2(87)
2	CHT Holdings Limited UK Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	93.06%	2(87)
3	Christy Home Textiles Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire, SK3 0XF	-	Subsidiary	93.06%	2(87)
4	Christy Welspun Gmbh Obere Breite 14, 72336 Balingen	-	Subsidiary	93.06%	2(87)
5	Christy UK Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	93.06%	2(87)
6	Christy 2004 Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire, SK3 0XF	-	Subsidiary	93.06%	2(87)
7	ER Kingsley (Textiles) Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	93.06%	2(87)
8	Prasert Multiventure Private Limited Welspun House, 7 <sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013	U51901MH2017PTC291358	Holding (with effect from March 31, 2017)	0.00% (% holding in Welspun India Limited - 67.59%)	2(46)
9	Welspun India Limited Welspun City, Village Versamedi, District Kutch, Taluka Anjar, Gujarat - 370110	L17110GJ1985PLC033271	Holding	98.03%	2(46)
10	Welspun Mauritius Enterprises Limited	-	Subsidiary	100.00%	2(87)



	Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius				
11	Welspun Holdings Private Limited, Cyprus 10, Diomidous Avenue, Building Alphamega – Acropolis, 3 <sup>rd</sup> Floor, Office 401, 2024 Nicosia, Cyprus	-	Subsidiary	93.06%	2(87)
12	Welspun UK Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	93.06%	2(87)
13	Welspun USA Inc. Suite No. 1118, 11 <sup>th</sup> Floor, Textile Building, 5 <sup>th</sup> Avenue, New York, NY – 10016, USA	-	Subsidiary	69.17%	2(87)
14	Welspun Home Textiles UK Limited Park Square, Bird Hall Lane, Stockport, Cheadle, Cheshire SK3 0XF	-	Subsidiary	93.06%	2(87)

#### IV. SHARE HOLDING PATTERN (equity share capital break-up as percentage of Total Equity)

##### i. Category-wise share holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	2		2	0.00%	2	4	6	0.00%	0.00%
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	23,065,501	-	23,065,501	98.03	23,065,497		23,065,497	98.03	0.00%



f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign venture capital funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub total (B)(1):-</b>	-		-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a) Bodies corp.	<b>463,909</b>	-	<b>463,909</b>	<b>1.97</b>	<b>463,909</b>	-	<b>463,909</b>	<b>1.97</b>	<b>0.00%</b>
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individual	-	-	-	-	-	-	-	-	-
i. Individual shareholding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(2)</b>	<b>463,909</b>	-	<b>463,909</b>	<b>1.97</b>	<b>463,909</b>	-	<b>463,909</b>	<b>1.97</b>	<b>0.00%</b>

Total public shareholding (B) (B)(1)+(B)(2) =	463,909	-	463,909	1.97	463,909	-	463,909	1.97	0.00%
iii.									
C. shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand total (A+B+C)	23,529,412	-	23,529,412	100.00%	23,529,412	-	23,529,412	100.00%	0.00%

## ii. Shareholding of Promoters

Sr. No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Welspun India Limited	23,065,497	98.03	0	23,065,497	98.03	0	0.00
2	Ms. Dipali Goenka	1	0.00	0	1	0.00	0	0.00
3	Mr. Devendra Patil (Nominee of Welspun India Limited)	0	0.00	0	1	0.00	0	0.00
4	Mr. Shashikant Thorat (Nominee of Welspun India Limited)	0	0.00	0	1	0.00	0	0.00
5	Ms. Nidhi Thakkar (Nominee of Welspun India Limited)	0	0.00	0	1	0.00	0	0.00
6	Mr. Varun Batra (Nominee of Welspun India Limited)	0	0.00	0	1	0.00	0	0.00
7	Balkrishan Goenka	1	0.00	0	1	0.00	0	0.00

iii. **Change in Promoters' shareholding (NOT APPLICABLE)**

iv. **Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. no.	Shareholder's Name		Shareholding at the beginning of the year		Cumulative shareholding during the year.	
		<b>For each of the top 10 shareholders</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Bennett, Coleman and Company Limited	At the beginning of the year	463,909	1.97	463,909	1.97
		At the end of the year)	463,909	1.97	463,909	1.97

v. **Shareholding of Directors and Key Managerial Personnel:**

Sr. no.			Shareholding at the beginning of the year		Cumulative shareholding during the year.	
		<b>For each of the Directors and KMPs</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Shareholding of Directors and KMP</b>						
1.	Mr. Balkrishan Goenka - Chairman	At the beginning of the year	1	0.00	1	0.00
		At the end of the year	1	0.00	1	0.00
2.	Ms. Dipali Goenka - Managing Director	At the beginning of the year	1	0.00	1	0.00
		At the end of the year	1	0.00	1	0.00
3.	Ms. Nidhi Thakkar - Company Secretary	At the beginning of the year	0	0.00	0	0.00
		At the end of the year	1	0.00	1	0.00

Mr. Rajesh Mandawewala, Mr. K H Viswanathan, Mr. Arun Todarwal, Mr. Atul Desai, Ms. Revathy Ashok and Mr. Mukesh Khandelwal - Chief Financial Officer, did not hold any share of the Company, any time during the year.

## V. INDEBTEDNESS

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

**Rs. million**

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	1,836.97	780.77	-	2,617.74
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (I + ii + iii)</b>	1,836.97	780.77	-	2,617.74
<b>Change in indebtedness during the financial year.</b>				
• Addition/ (Reduction) Net	(325.71)	64.82	-	(260.89)
<b>Net change</b>	(325.71)	64.82	-	(260.89)
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	1,511.26	845.59	-	2,356.85
ii. Interest due but not paid				
iii. Interest accrued but not due				
<b>Total (i+ii+iii)</b>	1,511.26	849.59	-	2,356.85

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

### A. Remuneration to Managing Director, whole-time directors and/or Manager

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Ms. Dipali Goenka	
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961.	150,00,000	150,00,000
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-
2	Stock Option	-	-
3.	Sweat equity	-	-
4	Commission		
	- As % of profit	14,045,463	14,045,463
	- Others, specify.....	-	-
5	Others, please specify	-	-
	Total (A)	29,045,463	29,045,463
	Ceiling as per the Act.	35,113,658	35,113,658

\* Apart from above, Ms. Dipali Goenka, Managing Director, receives Rs. 15 million as remuneration and commission of 1% of profits also from Welspun India Limited, holding Company of your Company.

### B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total amount (Rs.)
		K H Viswanathan	Arun Tadarwal	Atul Desai	Ms. Revthy Ashok	
	1. Independent Directors	537,000	459,000	449,000	140,000	1,585,000
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (1)	537,000	459,000	449,000	140,000	1,585,000
	2. Other Non-Executive Directors	Balkrishan Goenka				
	• Fee for attending board committee meetings	-				-
	• Commission	-				-
	• Others, please specify	-				-

	(Advisory Fees)					-
	Total (2)	-				-
	Total (B) = (1 + 2)					1,585,000
	Total Managerial Remuneration (A+B)					30,630,463
	Overall Ceiling as per the Act. (11%)					77,250,046.94

*Note: The above mentioned sitting fees paid to the non-executive Directors was within the limits prescribed under the Companies Act, 2013 for payment of sitting fees.*

### **C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer (Mukesh Khandelwal)	Company Secretary (Ms. Nidhi Tanna)	Total
1	Gross Salary	6,215,976	1,025,638	7,241,614
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-
	b) Value of perquisites u/s. 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit			
	- Others, specify			
5	Others, please specify	-	-	-
	Total	6,215,976	1,025,638	7,241,614

### **VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES UNDER COMPANIES ACT, 2013: NIL**

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

**Sd/-**  
**Balkrishan Goenka**  
**Chairman**  
**DIN 00270175**

**Mumbai**  
**May 16, 2018**



## Annexure 5

### **Corporate Social Responsibility (CSR)**

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

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company is not only committed for doing Corporate Social Responsibility but it aims at creating Corporate Social Value. The CSR vision is enshrined in the 3E's i.e.:

- i) Education;
- ii) Empowerment of women; and
- iii) Environment & Health.

These 3E's are implemented through:

- The programs organized by the trust formed by the group;
- Tie-ups with Non-Governmental Organizations / Developmental Agencies / Institutions; and
- Facilitating Government initiatives.

2. The Composition of the CSR Committee.

The Committee comprises of 1) Atul Desai – an Independent Director as the Chairman; 2) Ms. Dipali Goenka – Executive Director - Member; and 3) Rajesh Mandawewala – Non-Executive Director – Member, Ms. Nidhi Tanna - Company Secretary acts as the Secretary to the Committee.

3. Average net profit of the Company for last three financial years: Rs. 858,179,936/-
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) Rs. 17,163,599/-
5. Details of CSR spent during the financial year.
  - a. Total amount to be spent for the financial year: Rs. 17,163,599/-
  - b. Amount unspent , if any: Rs. 6,091,599/-
  - c. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr.	CSR Project /activity identified	Sector in which the project is covered	State/District were projects were undertaken	Amount of outlay budget (Rs. in lakhs)	Amount spent on the projects or programs (Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads)	Cumulative expenditure upto 31.03.2018 (Rs. in lakh)	Amount spent : Direct or through implementing agency
1	Construction of toilets under govt. approved CSR scheme	<b>Sanitation</b>	Gujarat - Dist. Kutch, Anjar, Vapi	85.70	Direct Expenditure Direct Expenditure	106.22	Through implementing agency - Welspun Foundation for Health and Knowledge
2	Malnutrition - Navchetna project	<b>Empowerment of socially backward</b>	Gujarat - Dist. Kutch, Anjar, Vapi	13.60			
3	Sanitary Napkin Making project	Promoting health care including preventive healthcare	Gujarat - Dist. Kutch, Anjar, Vapi	6.92			
Total Direct Expenditure						106.22	
Staff salaries and overheads						4.50	
<b>Grand Total</b>						<b>110.72</b>	

It is hereby confirmed by and on behalf of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

The Company focused on impact than on mere completion. Certain programs like skill development, smart-villages, farmers' empowerment may spread over a period more than a few years. The Company's actual spend than previous year has increased, although the spent amount is less than desired amount of Rs. 17,163,599/-.

Sd/-  
Atul Desai  
Chairman of CSR Committee  
DIN - 00019443  
May 16, 2018  
Mumbai

Sd/-  
Dipali Goenka  
Managing Director  
DIN - 00007199

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

Sd/-

May 16, 2018  
Mumbai

**Balkrishan Goenka**  
Chairman  
DIN 00270175

**Welspun Global Brands Limited**  
**Financial Statements for the period ended**  
**31 March 2018**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Welspun Global Brands Limited

**Report on the Ind AS financial statements**

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

**Management's Responsibility for the Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Page 2 of 8

Welspun Global Brands Limited

Independent auditors report for the year ended March 31, 2018

**Opinion**

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

**Emphasis of Matter**

We draw attention to Note 25 to the Ind AS financial statements regarding the exceptional item accounting during the previous year towards provisions / liabilities for refund to the customers, inventory write-down, legal fees etc.

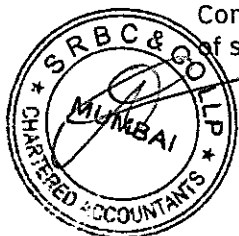
Our opinion is not qualified in respect of this matter.

**Other Matter**

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


**Report on Other Legal and Regulatory Requirements**

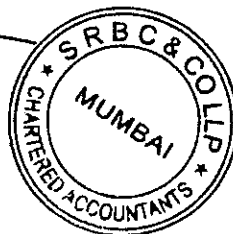
1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 30 to the Ind AS financial statements;
  - ii. The Company has long term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2018;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
per Anil Jobanputra  
Partner  
Membership Number: 110759  
Place of Signature: Mumbai  
Date: May 16, 2018



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Welspun Global Brands Limited

Independent auditors report for the year ended March 31, 2018

**Annexure 1 referred to in Paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date**

**Re: Welspun Global Brands Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

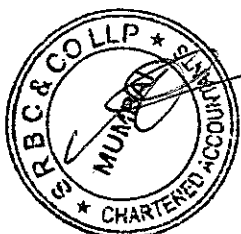


- (c) According to the records of the Company, there are no dues of service-tax, duty of customs and cess which have not been deposited on account of any dispute. The particulars of dues of income-tax, sales-tax, duty of excise and value added tax on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (Rs in Million)**	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	134.80	AY 2010-11 to AY 2014-15	Commissioner of Income Tax( Appeals)
Kerala VAT Act, 2003	Sales Tax	0.01	Aug-07	Appellate tribunal
	Sales Tax including interest	0.03	2007-08	Assistant Commissioner
	Sales Tax	0.01	2009-10	Deputy commissioner
Madhya Pradesh VAT Act, 2002	VAT, Entry Tax	0.64	2008-09	Sales Tax Officer
Value Added Tax Karnataka	Sales Tax	0.16	2011-12	Commercial Tax Officer

\*\*Net of amount paid under protest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. The Company does not have any loan from Government. Further, the Company has not issued any debenture.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.






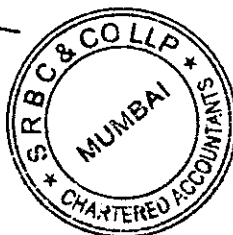
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

  
per Anil Jobanputra  
Partner  
Membership Number: 110759  
Place of Signature: Mumbai  
Date: May 16, 2018



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Welspun Global Brands Limited

Independent auditors report for the year ended March 31, 2018

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF WELSPUN GLOBAL BRANDS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

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

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

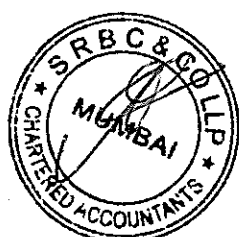
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

**Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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Welspun Global Brands Limited

Independent auditors report for the year ended March 31, 2018

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C &amp; CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Anil Jobanputra  
Partner

Membership Number: 110759

Place of Signature: Mumbai

Date: May 16, 2018



## WELSPUN GLOBAL BRANDS LIMITED

## BALANCE SHEET AS AT MARCH 31, 2018

	Note	As at March 31, 2018 (Rs. million)	As at March 31, 2017 (Rs. million)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	11.51	11.62
Intangible assets under development	4	18.01	10.73
Intangible assets	4	15.17	19.81
Equity investment in subsidiaries	5	692.48	692.48
<b>Financial assets</b>			
i. Investments	6(a)	4.10	4.29
ii. Loans	6(b)	4.58	2.99
iii. Other financial assets	6(c)	166.24	142.82
Non-current tax assets	7	85.70	94.61
Other non-current assets	8	5.07	2.44
<b>Total non-current assets</b>		<b>1,002.86</b>	<b>981.79</b>
<b>Current assets</b>			
Inventories	9	899.10	1,160.82
<b>Financial assets</b>			
i. Trade receivables	6(d)	8,879.23	8,572.77
ii. Cash and cash equivalents	6(e)	76.57	52.45
iii. Bank balances other than cash and cash equivalents above	6(f)	0.56	0.50
iv. Loans	6(b)	3.30	3.81
v. Other financial assets	6(c)	1,160.06	2,035.12
Other current assets	8	1,852.21	1,135.62
<b>Total current assets</b>		<b>12,871.03</b>	<b>12,961.09</b>
<b>Total assets</b>		<b>13,873.89</b>	<b>13,942.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10(a)	235.29	235.29
<b>Other Equity:</b>			
Equity component of compound financial instruments	11(a)	660.40	660.40
Reserves and surplus	10(b)	1,675.42	1,210.51
Other reserves	10(c)	96.14	1,075.59
<b>Total equity</b>		<b>2,667.25</b>	<b>3,181.79</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	11(a)	845.59	778.45
ii. Other financial liabilities	11(b)	19.26	17.98
Provisions	12	23.42	21.92
Deferred tax liabilities (Net)	13	250.97	794.31
<b>Total non-current liabilities</b>		<b>1,139.24</b>	<b>1,612.66</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	11(a)	1,511.26	1,836.97
ii. Trade payables	11(c)	8,452.97	7,114.25
iii. Other financial liabilities	11(b)	-	2.40
Provisions	12	1.17	1.16
Employee benefit obligation	14	59.36	65.04
Other current liabilities	15	42.64	128.61
<b>Total current liabilities</b>		<b>10,067.40</b>	<b>9,148.43</b>
<b>Total liabilities</b>		<b>11,206.64</b>	<b>10,761.09</b>
<b>Total equity and liabilities</b>		<b>13,873.89</b>	<b>13,942.88</b>

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

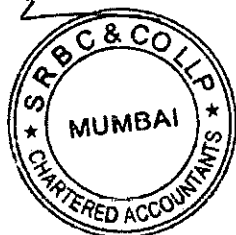
This is the Balance Sheet referred to in our report of the even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Per Anil Jobanputra  
Partner  
Membership Number: 110759



Place: Mumbai  
Date: May 16, 2018

For and on behalf of the Board of Directors

Dipali Goenka  
Managing Director  
DIN 00007199

Nidhi Tanna  
Company Secretary

Place: Mumbai  
Date: May 16, 2018

Rajesh Marudawala  
Director  
DIN 00007179

Mukesh Khandelwal  
Chief Financial Officer

Place: Mumbai  
Date: May 16, 2018



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

	Note	Year Ended March 31, 2018 (Rs. million)	Year Ended March 31, 2017 (Rs. million)
<b>Income</b>			
Revenue from Operations	16	46,646.85	51,644.20
Other Operating Income	17	3,106.14	4,007.98
Other Income	18	326.22	39.80
<b>Total income</b>		<b>50,079.21</b>	<b>55,691.98</b>
<b>Expenses</b>			
Purchases of stock-in-trade	19	45,226.33	50,793.81
Changes in Inventories of stock-in-trade and finished goods	20	262.02	(118.99)
Employee benefits expense	21	595.95	539.29
Depreciation and amortisation expense	22	11.25	9.47
Other expenses	23	2,956.76	3,074.23
Finance costs	24	311.44	383.04
<b>Total expenses</b>		<b>49,363.75</b>	<b>54,680.85</b>
<b>Profit before Exceptional Items and Tax</b>		<b>715.46</b>	<b>1,011.13</b>
Exceptional Items	25	-	399.28
<b>Profit Before Tax</b>		<b>715.46</b>	<b>611.85</b>
<b>Income tax expense</b>	26		
Current tax		280.98	240.57
Deferred tax charged/ (credit)		(29.45)	8.16
<b>Total Income Tax Expenses</b>		<b>251.53</b>	<b>248.73</b>
<b>Profit for the year</b>		<b>463.93</b>	<b>363.12</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of post employment benefit obligation	21	1.51	3.51
Income Tax relating to these items	26	(0.52)	(1.22)
<b>Items that may be reclassified to profit or loss</b>			
Deferred gains /(loss) on cash flow hedges	10(c)	(1,493.85)	1,074.40
Income Tax relating to these items	26	514.40	(371.83)
<b>Other comprehensive income for the year, net of tax</b>		<b>(978.46)</b>	<b>704.86</b>
<b>Total comprehensive income for the year</b>		<b>(514.54)</b>	<b>1,067.98</b>
<b>Earning Per Share (Rs.) [Nominal value per share: Rs. 10 (2017: Rs.10)]</b>	36		
-Basic and Diluted earnings per share		19.72	15.43

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



Per Anil Jobanputra  
Partner

Membership Number: 110759



Place: Mumbai  
Date: May 16, 2018

For and on behalf of the Board of Directors

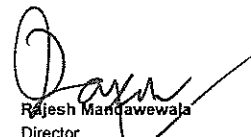


Dipali Goenka  
Managing Director  
DIN 00007199

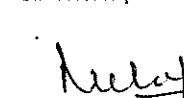


Nidhi Tanna  
Company Secretary

Place: Mumbai  
Date: May 16, 2018



Rajesh Mandawewala  
Director  
DIN 00007179



Mukesh Khandelwal  
Chief Financial Officer

Place: Mumbai  
Date: May 16, 2018



**WELSPUN GLOBAL BRANDS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

	Year Ended March 31, 2018 (Rs. million)	Year Ended March 31, 2017 (Rs. million)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	715.46	611.85
Adjustments for :		
Depreciation and amortisation expense	11.25	9.47
Unrealised foreign exchange differences	(60.64)	116.28
(Gain)/ Loss on disposal of property, plant and equipment	0.25	(0.01)
(Gain)/ Loss on sale of investments	(14.16)	(2.86)
Profit on Sale of Bonds	(0.85)	-
Provision for doubtful debts written back (net)	(0.26)	-
Provision for doubtful debts	-	6.47
Debts/ advances written off	2.54	0.86
Interest income classified as investing cash flows	(15.51)	(13.67)
Unwinding of discount on security deposits	(13.88)	(13.44)
Finance costs	311.45	383.04
Operating Profit Before Working Capital Changes	935.65	1,097.99
Adjustments for changes in working capital :		
(Increase) / decrease in trade receivables	(251.93)	(2,960.02)
Increase / (decrease) trade and other payables	1,336.10	3,056.51
Increase / (decrease) in employee benefit obligations	(4.16)	2.11
Increase / (decrease) in other current liabilities	(85.97)	41.32
(Increase) / decrease in inventories	261.72	(118.96)
(Increase) / decrease in other financial assets	(629.43)	894.70
(Increase) / decrease in other non-current assets	(2.56)	(0.38)
	(716.59)	(1,055.24)
Cash flow generated from operations	(92.82)	(139.96)
Income tax paid	842.83	958.03
Net Cash Flow from / (used in) Operating Activities	(272.08)	(197.07)
	570.74	760.96
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(14.03)	(29.43)
(Investment in)/ realisation of Fixed Deposits and Margin Money	1.01	0.96
Loans to employees and related parties	8.02	6.46
(Purchase)/ sales of investment (net)	30.36	6.34
Interest received	0.35	13.77
Net Cash Flow from / (used in) Investing Activities	25.71	(1.90)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings - Non Current	(2.32)	(3.06)
Proceeds/(Repayment) from borrowings - Current (net)	(325.71)	(553.41)
Interest and other finance expenses	(244.31)	(320.63)
Net Cash Flow from / (used in) Financing Activities	(572.34)	(877.11)
Net (decrease) / increase in Cash and Cash Equivalents (A + B + C)	24.12	(118.04)
Cash and cash equivalents at the beginning of the year	52.45	170.49
Cash and cash equivalents at the end of the year	76.57	52.45
Net Increase in Cash and Cash Equivalents	24.12	(118.04)
Change in Liability arising from financing activities		

	April 01, 2017	Cash Flow	March 31, 2018
Borrowings - Non Current [ Refer Note 11(a) ]	2.32	(2.32)	-
Borrowings - Current [ Refer Note 11(a) ]	1,836.97	(325.71)	1,511.26

**Notes:**

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

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

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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Per Anil Jobanputra  
Partner  
Membership Number: 110759



Place: Mumbai  
Date: May 16, 2018

For and on behalf of the Board of Directors

Dipali Goenka  
Managing Director  
DIN 00007199

Nidhi Tanna  
Company Secretary  
Place: Mumbai  
Date: May 16, 2018

Rajesh Mandawale  
Director  
DIN 00007179

Mukesh Khandelwal  
Chief Financial Officer  
Place: Mumbai  
Date: May 16, 2018



**WELSPUN GLOBAL BRANDS LIMITED**

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

**a. Equity Share Capital**

(Rs. million)

Particulars	Notes	Amount
Balance as at April 1, 2016		235.29
Changes in equity share capital during the year	10(a)	-
Balance as at March 31, 2017		235.29
Changes in equity share capital during the year	10(a)	-
Balance as at March 31, 2018		235.29

**b. Other Equity**

(Rs. million)

Particulars	Notes	Equity component of compound financial instruments	Reserves and Surplus			Other Reserve	Total
			Capital Redemption Reserve	Securities Premium Account	Retained earnings	Hedging Reserve	
Balance as at April 1, 2016		660.40	10.00	1,163.95	(328.85)	373.02	1,878.52
Profit for the year		-	-	-	363.12	-	363.12
Other Comprehensive Income	10(b)	-	-	-	2.30	702.57	704.87
Total Comprehensive Income for the year		-	-	-	365.41	702.57	1,067.98
Balance as at March 31, 2017		660.40	10.00	1,163.95	36.56	1,075.59	2,946.50

(Rs. million)

Particulars	Notes	Equity component of compound financial instruments	Reserves and Surplus			Other Reserve	Total
			Capital Redemption Reserve	Securities Premium Account	Retained earnings	Hedging Reserve	
Balance as at April 1, 2017		660.40	10.00	1,163.95	36.56	1,075.59	2,946.50
Profit for the year		-	-	-	463.93	-	463.93
Other Comprehensive Income	10(b)	-	-	-	0.99	(979.45)	(978.47)
Total Comprehensive Income for the year		-	-	-	464.91	(979.45)	(514.54)
Balance as at March 31, 2018		660.40	10.00	1,163.95	501.48	96.14	2,431.97

The accompanying notes are an integral part of these financial statements

This is the statement of changes in equity referred to in our report of the even date.

For S R B C & CO LLP

Chartered Accountants

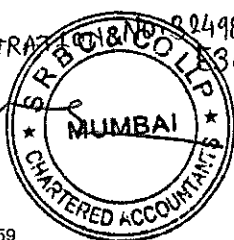
ICAI FIRM REGISTRATION NO. 24982E/300003

For and on behalf of the Board of Directors

Per Anil Jobanputra

Partner

Membership Number: 110759



Dipali Goenka

Managing Director

DIN 00007199

Nidhi Tanna

Company Secretary

Rajesh Mandawewala  
Director  
DIN 00007179

Mukesh Khandelwal  
Chief Financial Officer

Place: Mumbai

Date: May 16, 2018

Place: Mumbai

Date: May 16, 2018



Place: Mumbai

Date: May 16, 2018

Place: Mumbai

Date: May 16, 2018

# WELSPUN GLOBAL BRANDS LIMITED

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

### Note 1: General Information

Welspun Global Brands Limited (herein referred to as "WGBL" or "the Company") is public limited Company incorporated on December 14, 2004 and domiciled in India. The address of its registered office is 9th Floor B Wing Trade World, Senapati Bapat Marg Kamala Mills Compound Lower Parel, Mumbai, Maharashtra - 400013. The Company is engaged in trading of wide range of home textile products, mainly terry towels, bed linen products and rugs in International markets and on a smaller scale in domestic market.

The financial statements were authorized for issue by the board of directors on May 16, 2018.

### Note 2: Significant Accounting Policies

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

#### 2.1 Basis of preparation of financial statements

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

#### 2.2 Foreign currency translation

##### a) Functional and presentation currency

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

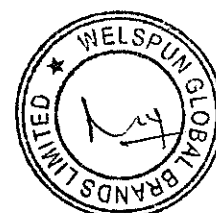
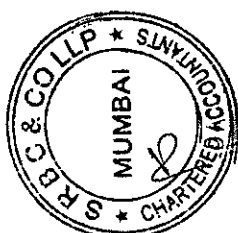
##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses or other income, as applicable.

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

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





## WELSPUN GLOBAL BRANDS LIMITED

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

#### 2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, value added tax and amounts collected on behalf of third parties.

The Company recognizes revenue from sale of goods when:

- (a) the Company has transferred to the buyer the significant risk and reward of ownership of goods
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold
- (c) the amount of revenue can be reliably measured
- (d) it is probable that future economic benefits associated with the transaction will flow to the Company
- (e) the cost incurred or to be incurred in respect of the transaction can be measured reliably.
- (f) export sales are recognised on the date of cargo receipts, bill of lading or other relevant documents, in accordance with the terms and conditions for sales.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### 2.4 Other operating income

Export benefits arising from Duty Drawback Scheme, Focus Market Scheme, Merchandise Export from India Scheme, Status Holder Incentive Scrips, Rebate of State Levies and Service Tax Rebate are recognised on export of such goods in accordance with the agreed terms and conditions with customers.

#### 2.5 Income Tax

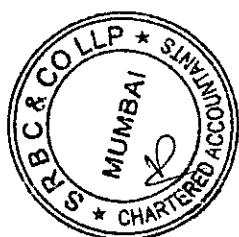
The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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

##### Current income tax

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

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



## WELSPUN GLOBAL BRANDS LIMITED

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

#### Deferred tax

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

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

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

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

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Minimum Alternate Tax ('MAT') credit entitlement is recognized as a deferred tax asset if it is probable that MAT credit will reverse in the foreseeable future and taxable profit will be available against which the deferred tax asset can be utilised.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to Statement of Profit and Loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

#### **2.6 Exceptional items**

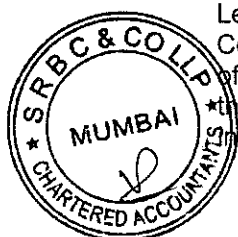
Exceptional items are expense items recorded in the year in which they have been determined by management as being material by their size or incidence and are presented separately within the results of the Company. The determination of which items are disclosed as exceptional items will affect the presentation of profit for the year and requires a degree of judgement. Details relating to exceptional items reported during the year are set out in Note 25

#### **2.7 Leases**

##### **As a lessee**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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



## WELSPUN GLOBAL BRANDS LIMITED

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

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### 2.8 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Company; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

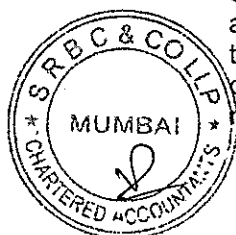
Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

#### 2.9 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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



## WELSPUN GLOBAL BRANDS LIMITED

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

#### Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Leasehold improvements are amortised over the shorter of estimated useful life or the related lease term. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Assets	Estimated Useful Life (years)
Office Equipment	5
Furniture and fixtures	10
Computer	3
Vehicles	5
Electrical installation	10

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income, as applicable.

#### 2.10 Intangible assets

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

##### Amortisation methods and periods

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

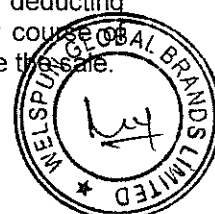
#### 2.11 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 2.12 Inventories

##### Finished/ traded goods

Inventories are stated at the lower of cost and net realisable value. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Costs of inventory is determined on first-in-first-out basis. Costs of inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



## WELSPUN GLOBAL BRANDS LIMITED

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

#### 2.13 Investment in Subsidiaries:

Equity Investment in subsidiaries are carried at cost in the separate financial statements.

#### 2.14 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial Assets

##### (i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

##### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### a. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.



## WELSPUN GLOBAL BRANDS LIMITED

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

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

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

#### b. Equity instruments

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

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

#### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Refer Note 28 details how the Company determines whether there has been a significant increase in credit risk.

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

#### (iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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



## WELSPUN GLOBAL BRANDS LIMITED

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

#### (v) Income recognition

##### a. Interest income

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

##### b. Dividends

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

#### (vi) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents includes outstanding bank overdraft shown within current liabilities in statement of financial position and which are considered as integral part of Company's cash management policy.

#### (vii) Trade receivable

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

### Financial liabilities

#### (i) Measurement:

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

#### (ii) Derecognition:

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



## WELSPUN GLOBAL BRANDS LIMITED

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

#### (iii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

#### (iv) Trade and other payables

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

#### Financial guarantee contracts

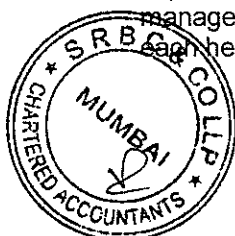
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and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

#### Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.





## WELSPUN GLOBAL BRANDS LIMITED

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

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

#### (i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within the statement of profit or loss.

When option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the option contract as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognized within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

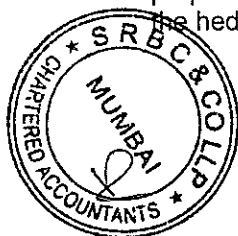
When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

With respect to gain or loss relating to the effective portion of the intrinsic value of option contracts, both the deferred hedging gains and losses and the deferred aligned time value of the option contracts are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

With respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.



## WELSPUN GLOBAL BRANDS LIMITED

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

#### (ii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in foreign currency translation reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains/(losses). Gains and losses accumulated in equity are reclassified to profit or loss on the disposal of a foreign operation.

#### (iii) Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

#### Embedded Derivatives

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

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

#### Embedded foreign currency derivatives

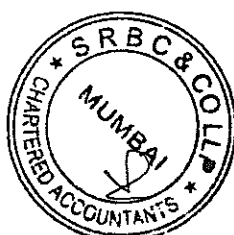
Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

- the functional currency of any substantial party to that contract,
- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.



## WELSPUN GLOBAL BRANDS LIMITED

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

#### 2.15 Compound instrument

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

#### 2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### 2.17 Employee benefits

##### a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### b) Other long-term employee benefit obligations

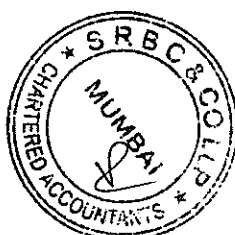
The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### c) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity, and
- defined contribution plans such as provident fund and superannuation Fund



## WELSPUN GLOBAL BRANDS LIMITED

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

#### Defined Benefit Plans

##### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits WGBL be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Remeasurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined contribution plans

##### Provident Fund, Employee State Insurance Corporation (ESIC), Pension Fund and other Social Security Funds

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

##### Superannuation Fund

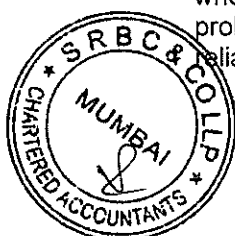
Contribution towards superannuation fund for certain employees is made to SBI Life Insurance Company where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from contribution made on monthly basis.

##### d) Bonus Plan

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### 2.18 Provisions and contingent liabilities

a) **Provisions** for legal claims, service warranties, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.



## WELSPUN GLOBAL BRANDS LIMITED

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

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company WGBL carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

b) **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.

c) **Contingent Assets** are disclosed, where an inflow of economic benefits is probable.

#### 2.19 Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.20 Provision for dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### 2.21 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. (Refer Note 38)

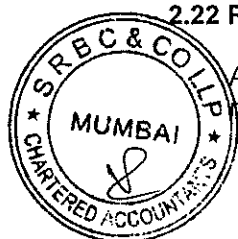
Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### 2.22 Rounding of amounts

All amounts disclosed in the financial statements and Notes have been rounded off to the nearest millions with two decimal as per the requirement of Schedule III, unless otherwise stated.



## WELSPUN GLOBAL BRANDS LIMITED

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

#### 2.23 New standards/ amendments to existing standards issued but not yet adopted

Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Company.

##### **Amendments to Ind AS 7, 'Statement of cash flows' on disclosure initiative:**

The amendment to Ind AS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from cash flows (e.g. drawdowns and repayments of borrowings) and non-cash changes (i.e. changes in fair values). Changes resulting from acquisitions and disposals and effect of foreign exchange differences. Changes in financial assets must be included in this disclosure if the cash flows were, or WGBL be, included in cash flows from financing activities. This could be the case, for example, for assets that hedge liabilities arising from financing liabilities. The Company is currently assessing the potential impact of this amendment. These amendments are mandatory for the reporting period beginning on or after April 1, 2017.

#### 2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. Refer Note 34 for segment information presented.

#### 2.25 Following are the amendments to existing standards which have been issued by The Ministry of Corporate Affairs ('MCA') that are not effective for the reporting period and have not been early adopted by the Company:

##### **a. Issue of Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

##### **b. Amendment to existing issued Ind AS**

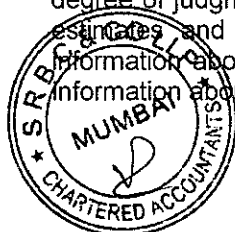
The MCA has also carried out amendments of the following accounting standards, applicable to the Company:

- i. Ind AS 21 – The Effects of Changes in Foreign Exchange Rates;
- ii. Ind AS 12 – Income Taxes

Application of above standards are not expected to have any significant impact on the Company's Financial Statement

#### 2.26 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements



## WELSPUN GLOBAL BRANDS LIMITED

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

#### Critical estimates and judgments

i) Estimation of current tax expense and deferred tax

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 26)

Recognition of deferred tax assets/ liabilities

The recognition of deferred tax assets/ liabilities is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. (Refer Note 13).

ii) Estimation of Provisions and Contingent Liabilities.

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgment is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision. (Refer Note 30).

iii) Estimated useful life of Property, Plant and Equipment

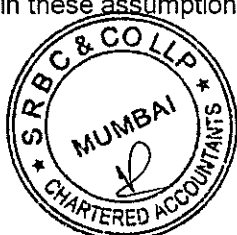
Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For the relative size of the Company's property, plant and equipment and intangible assets (Refer Notes 3 and 4).

iv) Estimation of Impairment for equity Investments in Subsidiaries

To test the impairment of equity investment in one of subsidiaries, market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Company's impairment evaluation and hence results.

v) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.



## WELSPUN GLOBAL BRANDS LIMITED

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

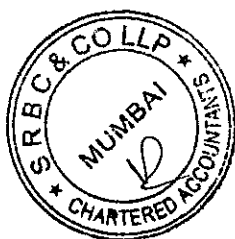
The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability. Refer Note 21 for the details of the assumptions used in estimating the defined benefit obligation.

vi) Estimated fair value of Financial Instruments.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 27.

vii) Exceptional items

Exceptional items are expense items recorded in the year in which have been determined by management as being material by their size or incidence and are presented separately within the results of the Company. The determination of which items are disclosed as exceptional items will affect the presentation of profit for the year, and requires a degree of judgment. Details relating to exceptional items reported during the year are set out in Note 25.

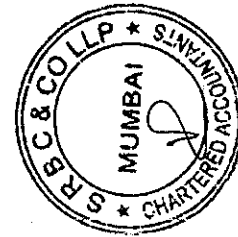




(Rs. in Million)

## Note 3 - Property, Plant &amp; Equipment

	Leasehold Improvements	Electrical installations	Computers	Vehicles	Office Equipment	Furniture Fittings and equipments	Total
<b>Year ended 31 March 2017</b>							
Gross carrying amount	0.39	0.38	7.00	0.01	2.97	3.38	14.13
Addition	-	-	4.72	-	0.58	0.37	5.67
Disposals	-	-	(0.28)	-	(0.01)	-	(0.29)
Closing gross carrying amount	0.39	0.38	11.44	0.01	3.54	3.75	19.51
<b>Accumulated Depreciation</b>							
Opening accumulated depreciation	0.06	0.06	1.84	0.01	0.95	0.56	3.48
Depreciation charge during the year	0.06	0.06	3.00	-	0.91	0.62	4.65
Disposals	-	-	(0.19)	-	(0.05)	-	(0.24)
Closing accumulated depreciation	0.12	0.12	4.65	0.01	1.81	1.18	7.89
Net Carrying amount	0.28	0.26	6.79	-	1.73	2.57	11.62
<b>Year ended 31 March 2018</b>							
Gross carrying amount	0.39	0.38	11.44	0.01	3.54	3.75	19.51
Opening gross carrying amount	-	-	5.67	-	0.54	-	6.21
Additions	-	-	(0.49)	-	(0.14)	-	(0.63)
Disposals	0.39	0.38	16.62	0.01	3.94	3.75	25.09
Closing gross carrying amount	0.39	0.38	16.62	0.01	3.94	3.75	25.09
<b>Accumulated depreciation and impairment</b>							
Opening accumulated depreciation	0.12	0.12	4.65	0.01	1.81	1.18	7.89
Depreciation charge during the year	0.06	0.06	4.47	-	0.84	0.63	6.06
Disposals	-	-	(0.24)	-	(0.13)	-	(0.37)
Closing accumulated depreciation and impairment	0.18	0.18	8.88	0.01	2.52	1.81	13.58
Net carrying amount	0.21	0.20	7.74	-	1.42	1.94	11.51



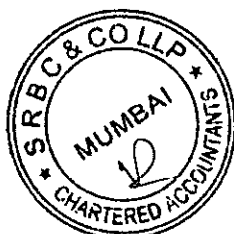
**Note 4 - Intangible Assets**

(All amounts in million)

	Computer Software	Total	Intangible assets under development
<b>Year ended 31 March 2017</b>			
<b>Gross carrying amount</b>	11.55	11.55	-
Addition	13.09	13.09	10.73
Disposals	-	-	-
<b>Closing gross carrying amount</b>	<b>24.64</b>	<b>24.64</b>	<b>10.73</b>
<b>Accumulated Amortisation</b>			
Amortisation charge during the year	4.83	4.83	-
<b>Closing accumulated amortisation</b>	<b>4.83</b>	<b>4.83</b>	-
<b>Net Carrying amount</b>	<b>19.81</b>	<b>19.81</b>	<b>10.73</b>
<b>Year ended 31 March 2018</b>			
<b>Gross carrying amount</b>	24.64	24.64	10.73
Additions	0.55	0.55	7.28
<b>Closing gross carrying amount</b>	<b>25.19</b>	<b>25.19</b>	<b>18.01</b>
<b>Accumulated amortisation and impairment</b>			
Opening accumulated depreciation	4.83	4.83	-
Depreciation charge during the year	5.19	5.19	-
<b>Closing accumulated amortisation and impairment</b>	<b>10.02</b>	<b>10.02</b>	-
<b>Net carrying amount</b>	<b>15.17</b>	<b>15.17</b>	<b>18.01</b>

**Notes**

Intangible assets under development mainly comprises of software development expenses.



**WELSPUN GLOBAL BRANDS LIMITED**

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

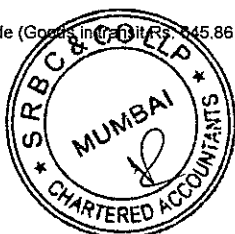
		As at March 31, 2018 (Rs. million)	As at March 31, 2017 (Rs. million)
<b>Note 5 : Non-current equity investment in subsidiaries</b>			
Unquoted			
370,862	(March 31, 2017 : 370,862) Equity Shares of US \$ 1 each, fully paid up of Welspun Mauritius Enterprises Limited Less : Provision for diminution in value of Investment	16.58 (16.58)	16.58 (16.58)
1,500,000	(March 31, 2017 : 1,500,000) Equity Shares of US \$ 0.10 each, fully paid up of Welspun USA Inc.	281.97	281.97
20,126	(March 31, 2017 : 20,126) Equity Shares of GBP 1 each, fully paid up of Welspun Holding Private Limited (Cyprus)	410.51	410.51
<b>Total</b>		<b>692.48</b>	<b>692.48</b>
<b>Note 6 : Financial assets</b>			
<b>6 (a) : Non-current investment</b>			
Others - Fair value through profit and loss			
	Investment - Indiafirst SM	-	1.59
	Investment - SBI Life Insurance	3.20	1.80
	Investment - Canara Bank HSBC	0.90	0.90
<b>Total (Others)</b>		<b>4.10</b>	<b>4.29</b>
	Aggregate amount of quoted investments and market value thereof	-	-
	Aggregate amount of unquoted investments	4.10	4.29
<b>6(b) Non-current Loans</b>			
Loan to Related Party			
	- Welspun Mauritius Enterprises Limited	218.45	217.36
	Less : Allowance for Doubtful Loan	218.45	217.36
		-	-
Others			
	Loan to Employees	4.58	2.99
<b>Total Loans</b>		<b>4.58</b>	<b>2.99</b>
<b>6(b) Current Loans</b>			
	Loan to Employees	3.30	3.81
<b>Total</b>		<b>3.30</b>	<b>3.81</b>
<b>6(c) : Other non-current financial assets</b>			
	Fixed Deposits with Banks with maturity more than 12 months *	1.02	0.95
	Security Deposits to Others	3.05	3.05
	Security Deposit to Related Party		
	- Welspun Realty Private Limited	162.17	138.82
<b>Total</b>		<b>166.24</b>	<b>142.82</b>
* Held as lien by sales tax authorities			



**WELSPUN GLOBAL BRANDS LIMITED**

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

	As at March 31, 2018 (Rs. million)	As at March 31, 2017 (Rs. million)
<b>6(c) : Other current financial assets</b>		
Government Grants Receivable	943.08	390.24
Mark-to-Market Gain on Forward Contracts	147.77	1,641.70
Other Receivables	56.41	-
Security Deposits to Others	2.36	2.03
Security Deposit to Related Party - Welspun Realty Private Limited	9.37	-
Advances to related parties	1.07	1.15
<b>Total</b>	<b>1,160.06</b>	<b>2,035.12</b>
<b>6(d) : Trade receivables</b>		
Receivable from related parties (Refer Note 35 (iii))	2,746.18	3,223.60
Trade Receivable	6,144.75	5,361.14
Less : Allowance for doubtful debts	11.70	11.97
<b>Total receivables</b>	<b>8,879.23</b>	<b>8,572.77</b>
Current portion	8,879.23	8,572.77
Non-current portion	-	-
<b>Break-up of security details</b>		
Secured, considered good		
Unsecured, considered good	8,879.23	8,572.77
Doubtful	11.70	11.97
<b>Total</b>	<b>8,890.93</b>	<b>8,584.74</b>
Allowance for doubtful debts	11.70	11.97
<b>Total trade receivables</b>	<b>8,879.23</b>	<b>8,572.77</b>
<b>6(e) Cash and cash equivalents</b>		
Bank balances with bank - In Current Accounts	76.55	52.31
Cash on Hand	0.02	0.14
<b>Total cash and cash equivalents</b>	<b>76.57</b>	<b>52.45</b>
<b>6(f) Bank balances other than cash &amp; cash equivalents</b>		
Other Bank Balances - Fixed Deposits with maturity period of more than 3 months but less than 12 months	0.56	0.50
(Includes Rs. 0.04 million (March 31, 2017: Rs. 0.04 million) under lien with sales tax authorities)		
<b>Total</b>	<b>0.56</b>	<b>0.50</b>
<b>Note 7: Non-current tax assets</b>		
Advance Tax and Tax Deducted at Source (Net of Provision for taxation of Rs. 1,484.44 million; March 31, 2017 Rs. 1,204.83 million)	85.70	94.61
<b>Total</b>	<b>85.70</b>	<b>94.61</b>
<b>Note 8: Other non-current assets</b>		
Prepaid Expenses	0.05	0.67
Balances with Customs, Excise, Sales Tax and other Government Authorities	5.02	1.77
<b>Total</b>	<b>5.07</b>	<b>2.44</b>
<b>Note 8: Other current assets</b>		
Balances with Customs, Excise, Sales Tax and other Government Authorities	1,740.26	942.56
Advance to Vendors	48.03	71.64
Advance to employees	26.93	24.36
Prepaid Expenses	35.47	97.08
Gratuity Fund (Net)	1.52	-
<b>Total</b>	<b>1,852.21</b>	<b>1,135.62</b>
<b>Note 9: Inventories</b>		
Stock-in-trade (Goods in transit Rs. 245.86 million; March 31, 2017 Rs. 901.06 million)	899.10	1,160.82
<b>Total</b>	<b>899.10</b>	<b>1,160.82</b>



WELSPUN GLOBAL BRANDS LIMITED

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

Note 10: Equity share capital and other equity

10(a) Equity share capital

(i) Authorised share capital	Equity Shares of Rs. 10 each	
	Number of Shares	Amount (Rs. million)
As at April 1, 2016	25,000,000	250.00
Increase during the year	-	-
As at March 31, 2017	25,000,000	250.00
Increase during the year	-	-
As at March 31, 2018	25,000,000	250.00

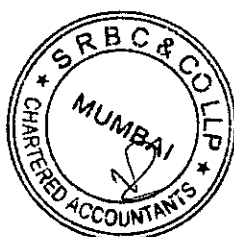
(ii) Issued Subscribed and Paid up share capital	Equity Shares of Rs. 10 each fully paid up	
	Number of Shares	Amount (Rs. million)
As at April 1, 2016	23,529,412	235.29
Increase during the year	-	-
As at March 31, 2017	23,529,412	235.29
Increase during the year	-	-
As at March 31, 2018	23,529,412	235.29

Rights, preferences and restrictions attached to 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.

(iii) Shares held by holding company or subsidiary of holding company	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount (Rs. million)	Number of Shares	Amount (Rs. million)
Welspun India Limited, the holding company				
Equity shares of Rs. 10 each, fully paid up	23,065,503	230.66	23,065,503	230.66
	23,065,503	230.66	23,065,503	230.66

(iv) Details of shareholders holding more than 5% of shares in the Company	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	%	Number of Shares	%
Equity Shares :				
Welspun India Limited	23,065,503	98.03%	23,065,503	98.03%



**WELSPUN GLOBAL BRANDS LIMITED**

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

	As at March 31, 2018 (Rs. million)	As at March 31, 2017 (Rs. million)
<b>10(b) Reserves and surplus</b>		
Securities premium reserve (Refer Note (a) below)	1,163.95	1,163.95
Capital Redemption Reserve (Refer Note (b) below)	10.00	10.00
Retained earnings (Refer Note (c) below)	501.47	36.56
	<b>1,675.42</b>	<b>1,210.51</b>
<b>a) Securities Premium Account</b>		
Balance as at the beginning of the year	1,163.95	1,163.95
Add : Additions during the year	-	-
Less : Utilisation on Redemption of Preference Shares	-	-
Balance as at the end of the year	<b>1,163.95</b>	<b>1,163.95</b>
<b>b) Capital Redemption Reserve</b>		
Balance as at the beginning of the year	10.00	10.00
Add : Transferred from Surplus in Statement of Profit and Loss during the year	-	-
Balance as at the end of the year	<b>10.00</b>	<b>10.00</b>
<b>c) Surplus/ (Deficit) in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	36.56	(328.85)
Add : Profit for the year	463.93	363.12
Balance as at the end of the year	<b>500.49</b>	<b>34.27</b>
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
Remeasurements of post-employment benefit obligation, net of tax	0.99	2.29
Balance as at the end of the year	<b>501.47</b>	<b>36.56</b>
<b>Total</b>	<b>1,675.42</b>	<b>1,210.51</b>
<b>10(c) Other reserves</b>		
Hedging reserve account [refer note (i) below]	<b>96.14</b>	<b>1,075.59</b>
<b>i) Hedging Reserve Account</b>		
Gross Balance as at the beginning of the year	1,075.59	373.02
Add : Amount recognised in Hedging Reserve during the year	861.13	2,053.16
Less: Gain transferred to Statement of Profit and Loss	2,354.98	978.76
Gross hedging reserve before tax	(418.26)	1,447.42
Less: Deferred Tax	514.40	(371.83)
Net Balance as at the end of the year	<b>96.14</b>	<b>1,075.59</b>



**WELSPUN GLOBAL BRANDS LIMITED**

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

	As at March 31, 2018 (Rs. million)	As at March 31, 2017 (Rs. million)
<b>Note 11: Financial liabilities</b>		
<b>11(a) : Other Equity</b>		
Equity Component of Compound Financial Instruments	660.40	660.40
	<u>660.40</u>	<u>660.40</u>
<b>11(a) Non-current borrowings</b>		
<b>Unsecured :</b>		
<b>Measured at amortised cost</b>		
Loan Form Hewlett Packard India Financial Services Private Limited (Last installment due in August 2017. Rate of interest 11%. Repayable in 59 monthly installments commencing from October 2012.)	-	2.32
Liability component of compound financial instruments [Refer Note (a),(b), and (c) below]	845.59	778.45
<b>Total</b>	<u>845.59</u>	<u>780.77</u>
 Less : Current maturities of long-term debt (included in Note 11 (b) )	-	2.32
<b>Non-current borrowings</b>	<u>845.59</u>	<u>778.45</u>

**(a) 13,464,800 0% Redeemable Cumulative Preference shares**  
Preference shares are redeemable at par at the end of 13 years from the date of allotment i.e. April 1, 2011

**(b) 1,389,575 0% Redeemable Preference shares**  
Preference shares are redeemable at par after 13 years and before 20 years with an option of early redemption from the date of allotment i.e. December 7, 2012

**(c) 1,000,000 1% Redeemable Cumulative Preference shares**  
Preference shares are redeemable at par at the end of 13 years from the date of allotment i.e. October 28, 2013.

	As at March 31, 2018	As at March 31, 2017
Fair Value of 0% Cumulative Redeemable Preference Shares	134.65	134.65
Fair Value of 0% Redeemable Preference Shares	1,389.56	1,389.56
Fair Value of 1% Cumulative Redeemable Preference Shares	10.00	10.00
*Equity component of 0% Cumulative Redeemable Preference Shares	76.82	76.82
*Equity Component of 0% Redeemable Preference Shares	917.39	917.39
*Equity component of 1% Cumulative Redeemable Preference Shares	6.26	6.26
	<u>533.74</u>	<u>533.74</u>
Interest expense	311.85	244.71
Non Current Borrowings	<u>845.59</u>	<u>778.45</u>

\*The equity component of preference shares has been presented on the face of the balance sheet net of the deferred tax of Rs. 340.07 million.

<b>11(a) Current borrowings</b>		
Loans repayable on demand		
<b>Secured</b>		
<b>Measured at amortised cost</b>		
- Export bills discounted [Refer Note 11(a)(1)]	1,511.26	1,836.97
<b>Total current borrowings</b>	<u>1,511.26</u>	<u>1,836.97</u>

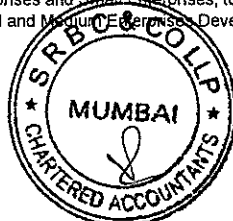
Note 11(a)(1) : Export bills are discounted with the banks and the net amount after deduction of discounting charges is received by the Company. Once the bills are realised the same is utilized to settle the outstanding amount with the bank.

<b>11(b) Other non-current financial liabilities</b>		
Security Deposits	19.26	17.98
<b>Total</b>	<u>19.26</u>	<u>17.98</u>

<b>11(b) Other current financial liabilities</b>		
Mark-to-Market Loss on Forward Contracts	-	0.08
Current maturities of Long-term Debt [(Refer Note 11(a)- Non Current Borrowings above)]	-	2.32
<b>Total</b>	<u>-</u>	<u>2.40</u>

<b>11(c) Trade payables</b>		
Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note below)	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	8,452.97	7,114.24
<b>Total</b>	<u>8,452.97</u>	<u>7,114.24</u>

Note : There are no Micro Enterprises and Small Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2018. This information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company.



WELSPUN GLOBAL BRANDS LIMITED

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

	As At March 31, 2018 (Rs. million)	As At March 31, 2017 (Rs. million)
<b>Note 12: Non-current provisions</b>		
Provision for Contingencies	23.42	21.92
<b>Total</b>	<b>23.42</b>	<b>21.92</b>
<b>Note 12: Current provisions</b>		
Provision for Contingencies	1.01	1.00
Dividend on Preference Shares and Tax thereon	0.16	0.16
<b>Total</b>	<b>1.17</b>	<b>1.16</b>

Provision for Contingencies	Non-current	Current
<b>As at April 1, 2016</b>	<b>21.37</b>	<b>6.47</b>
Charged/ (credited) to profit or loss		
- Additional provisions recognised	1.37	-
- Reversal of provision	(0.82)	(5.47)
<b>As at March 31, 2017</b>	<b>21.92</b>	<b>1.00</b>
<b>As at April 1, 2017</b>	<b>21.92</b>	<b>1.00</b>
Charged/ (credited) to profit or loss		
- Additional provisions recognised	1.50	-
- Reversal of provision	-	-
<b>As at March 31, 2018</b>	<b>23.42</b>	<b>1.00</b>

Note:- Provision for contingencies are relating to disputed matters pertaining to Value Added Tax( VAT).

**Note 13: Deferred tax liabilities (Net)**

Deferred Tax Liabilities arising on account of Timing differences in :

- On Cash Flow Hedges	51.64	566.04
- Classification of preference share Liability in equity and liability at inception	233.51	254.50
- Remeasurements of Post Employment benefit obligation	1.74	1.22

Deferred Tax Asset arising on account of Timing differences in:

- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	4.77	3.00
- Provision for Employee Benefits	9.94	7.54
- Depreciation	17.13	14.41
- Allowance for Doubtful Debts/ Advances	4.08	2.50
<b>Total</b>	<b>250.97</b>	<b>794.31</b>

**Movement in Deferred Tax as per Ind AS**

Particulars	Depreciation	Defined Benefit Obligation	Provision for Doubtful debts	Expenses inadmissible u/s 40a	On Cash Flow Hedges	Remeasureme nts of Post Employment benefit obligation	Classification of preference share Liability in equity and liability at inception	Total
<b>1st April 2017</b>	<b>(33.08)</b>	<b>(5.77)</b>	<b>(2.52)</b>	<b>(4.56)</b>	<b>194.21</b>	<b>(0.26)</b>	<b>277.75</b>	<b>425.77</b>
(Charged) / Credited :								
to Profit and Loss / Minimum Alternative Tax Credit utilisation	(18.67)	1.77	(0.02)	(1.56)	-	(1.63)	23.25	3.14
to Other Comprehensive Income	-	-	-	-	(371.83)	0.15	-	(371.68)
<b>31st March 2017</b>	<b>(14.41)</b>	<b>(7.54)</b>	<b>(2.50)</b>	<b>(3.00)</b>	<b>566.04</b>	<b>1.22</b>	<b>254.50</b>	<b>794.31</b>
(Charged) / Credited :								
to Profit and Loss	2.72	2.40	1.58	1.77	-	-	20.99	29.46
to Other Comprehensive Income	-	-	-	-	514.40	(0.52)	-	513.88
<b>31st March 2018</b>	<b>(17.13)</b>	<b>(9.94)</b>	<b>(4.08)</b>	<b>(4.77)</b>	<b>51.64</b>	<b>1.74</b>	<b>233.51</b>	<b>250.97</b>

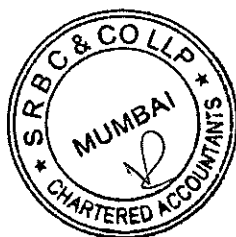
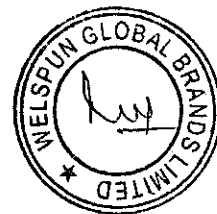
(Rs. million)

	As At March 31, 2018	As At March 31, 2017
<b>Note 14: Current employee benefit obligation</b>		
Provision for Compensated Absences (Refer Note 21 )	28.43	21.78
Provision for Gratuity (Refer Note 21)	-	0.84
Employee Benefits Payable*	30.93	42.42
<b>Total</b>	<b>59.36</b>	<b>65.04</b>

\* Includes salary, leave travel allowance and director commission.

**Note 15: Other current liabilities**

Unearned Revenue	6.05	5.14
Advances from Customers	12.97	110.57
Statutory Dues (Including Provident Fund and tax deducted at source)	23.62	12.90
<b>Total</b>	<b>42.64</b>	<b>128.61</b>

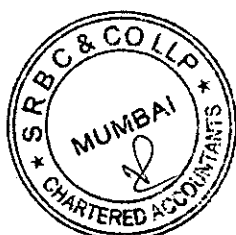




**WELSPUN GLOBAL BRANDS LIMITED**

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

	Year Ended March 31, 2018 (Rs. million)	Year Ended March 31, 2017 (Rs. million)
<b>Note 16 : Revenue from operations</b>		
Sale of Products - Traded Goods	46,646.85	51,644.20
<b>Total Revenue from Operations</b>	<b>46,646.85</b>	<b>51,644.20</b>
<b>Note 17 : Other Operating Income</b>		
Duty Drawback (DBK) and Rebate of State Levies (ROSL) (Refer Note below)	3,106.14	4,007.98
<b>Total</b>	<b>3,106.14</b>	<b>4,007.98</b>
Note :- Company receives DBK and ROSL at specified rate on FOB value of exports.		
<b>Note 18 : Other income</b>		
<b>Interest income from financial assets measured at amortised cost</b>		
On Fixed Deposits	0.35	0.64
On Bonds	15.16	-
Interest on VAT Refund	-	13.03
Profit on Redemption/ Sale of Units in Mutual Funds	14.16	2.86
Profit on Sale of Bonds	0.85	-
Profit on Sale of Fixed Assets	-	0.01
Exchange Gain (Net)	275.24	-
Unwinding of discount on security deposits	13.88	13.44
Provision for Doubtful Debts Written Back (Net)	0.13	-
Miscellaneous Income	6.45	9.82
<b>Total</b>	<b>326.22</b>	<b>39.80</b>
<b>Note 19 : Purchases of Stock-in-trade</b>		
Purchases of Stock-in-trade	45,226.33	50,793.81
<b>Total</b>	<b>45,226.33</b>	<b>50,793.81</b>
<b>Note 20 : Changes in inventories of Stock-in-trade</b>		
<b>(Increase)/ Decrease in Stocks-in-trade</b>		
Stock at the end of the year	898.80	1,160.82
Less: Stock at the beginning of the year	1,160.82	1,041.83
	<b>262.02</b>	<b>(118.99)</b>



**WELSPUN GLOBAL BRANDS LIMITED**

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

**Note 21 : Employee Benefits Expense**

(Rs. in million)

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages, Allowances and Other Benefits	496.66	459.40
Gratuity and ex-gratia	22.11	10.51
Contribution to Provident and Other Funds	32.74	28.38
Managerial Remuneration	29.05	28.41
Staff and Labour Welfare	15.39	12.59
	<b>595.95</b>	<b>539.29</b>

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

**I Defined Contributions Plans**

(Rs. in million)

During the year the Company has recognised the following amounts in the Statement of Profit and Loss	Year ended March 31, 2018	Year ended March 31, 2017
- Employer's Contribution to Provident Fund*	14.97	13.22
- Employer's Contribution to Employees State Insurance*	1.87	1.81
- Employer's Contribution to Employees Pension Scheme*	12.31	10.56
- Employer's Contribution to Superannuation Scheme*	3.58	2.79
	<b>32.73</b>	<b>28.38</b>

\*Included in Contribution to Provident and Other Funds

**II Defined benefit plan**

**Contribution to Gratuity Fund (Funded Defined Benefit Plan)**

a. Major assumptions	As at March 31, 2018	As at March 31, 2017
Discount rate	7.56	7.12
Expected rate of return on Plan Assets	7.56	7.12
Salary Escalation Rate @	7% p.a. for the next 2 years, 6% p.a. for the next 3 years & 5% p.a. thereafter, starting from the 6th year	7.50% p.a. for the next 2 years, 6.50 for the next 3 years & 5% p.a. thereafter, starting from the 6th year
Rate of Employee Turnover	Upto 2 years 12.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 7.00% p.a.	Upto 2 years 12.00% p.a. For service 3 years to 4 years 10.00% p.a. For service 5 years and above 7.00% p.a.
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

(Rs. in million)

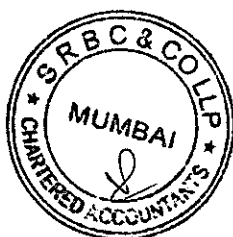
b. Change in the present value of obligation	As at March 31, 2018	As at March 31, 2017
Opening Present value of Obligation	38.69	36.75
Current service cost	5.77	6.28
Past Service Cost	6.83	-
Interest cost	2.75	2.95
Benefit paid	(6.09)	(3.70)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic	-	(0.29)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumption	(2.26)	(6.97)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.39	3.67
Closing present value of Obligation	<b>46.08</b>	<b>38.69</b>

(Rs. in million)

c. Change in fair value of plan assets	As at March 31, 2018	As at March 31, 2017
Opening Fair value of Plan Assets	37.85	37.48
Interest Income	2.69	3.01
Return on Plan Assets, excluding amounts included in interest income	(0.36)	(0.09)
Contributions	13.50	-
Benefits paid	(6.09)	(2.55)
Closing Fair Value of Plan Assets	<b>47.59</b>	<b>37.85</b>

(Rs. in million)

d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	As at March 31, 2018	As at March 31, 2017
Present Value of Funded Obligation	46.08	38.69
Fair Value of Plan Assets	47.59	37.85
Funded Status ( Surplus/(Deficit))	<b>1.52</b>	<b>(0.84)</b>



**WELSPUN GLOBAL BRANDS LIMITED**

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

(Rs. in million)		
e. Amount recognised in the Balance sheet	As at March 31, 2018	As at March 31, 2017
Present value of Obligation	46.08	38.69
Fair Value of Plan Assets	47.59	37.85
Expenses recognized in the statement of profit and loss	1.52	0.84
Net (Liability)/Assets recognised in the Balance sheet and included under Employee benefits obligations (Refer Note 14)	1.52	(0.84)
Non Current Portion	1.52	(0.84)
Current Portion	-	-

(Rs. in million)		
f. Expenses recognized in the statement of profit and loss	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	5.77	6.28
Interest cost	0.06	(0.06)
Past Service Cost	6.83	-
Total Expenses recognized in the statement of profit and loss*	12.66	6.22

\* Included in Employee Benefits Expense

(Rs. in million)		
g. Expenses recognized in the Other Comprehensive Income	Year ended March 31, 2018	Year ended March 31, 2017
Re-measurement		
Actuarial (Gains)/Losses on Obligation For the year	(1.87)	(3.60)
Return on Plan Assets, Excluding Interest Income	0.36	0.09
Net (Income)/Expenses for the Period Recognized in OCI	(1.51)	(3.51)

**h. Sensitivity analysis:**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(Rs. in million)			
Particulars	Change in Assumptions	Increase/(decrease) in defined benefit obligations	
		March 31, 2018	March 31, 2017
Discount Rate	Increase by 1%	(2.96)	(2.70)
Discount Rate	Decrease by 1%	3.37	3.10
Salary Increase	Increase by 1%	3.40	3.10
Salary Increase	Decrease by 1%	(3.04)	(2.75)
Employee Turnover	Increase by 1%	0.60	0.44
Employee Turnover	Decrease by 1%	(0.68)	(0.50)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability/ assets recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

g. Major Category of Plan Asset as a % of Total Plan Assets	As at March 31, 2018		As at March 31, 2017	
	Quoted (Rs. million)	%	Quoted (Rs. million)	%
Insurer Managed funds	47.59	100.00	37.85	100.00

**Defined benefit liability and employer contributions**

The Company funding levels are monitored on an annual basis and the current agreed contribution rate is 12% of the basic salaries. Further funding is done only for employees more than 5 years in the firm, for less than 5 years employees are paid separately.

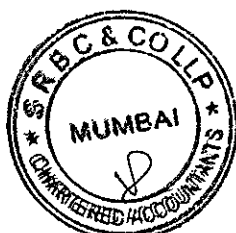
Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are Rs. 5.18 million.

The weighted average duration of the defined benefit obligation is 8 years (2017 -9 years). The expected maturity analysis of undiscounted gratuity is as follows:

(Rs. in million)						
Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Between 6 - 10 years	11 years & Above	Total
March 31, 2018						
Defined benefit obligation	4.20	4.05	14.72	19.16	47.40	89.53
Total	4.20	4.05	14.72	19.16	47.40	89.53
March 31, 2017						
Defined benefit obligation	3.55	3.26	10.08	16.26	42.64	75.79
Total	3.55	3.26	10.08	16.26	42.64	75.79

**III Other Employee Benefit**

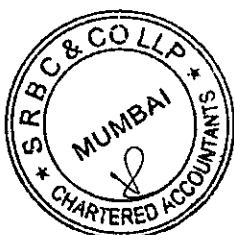
The liability for compensated absences as at year end is Rs. 28.43 million (March 31, 2017: Rs. 21.79 million)



**WELSPUN GLOBAL BRANDS LIMITED**

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

	Year Ended March 31, 2018 (Rs. million)	Year Ended March 31, 2017 (Rs. million)
<b>Note 22 : Depreciation and Amortisation Expense</b>		
Depreciation property, plant and equipment	6.06	4.64
Amortisation on intangible assets	5.19	4.83
<b>Total</b>	<b>11.25</b>	<b>9.47</b>
<b>Note 23 : Other Expenses</b>		
Job Work Expenses	6.37	-
Sales Commission	517.72	725.00
Freight, Forwarding and Coolie Charges	1,013.05	857.91
Advertising and Sales Promotion	884.83	645.74
Electricity Expenses	15.94	15.36
Repairs and Maintenance - Others	68.86	70.51
Directors' Sitting Fees	1.59	1.71
Rent (Refer Note 33)	75.72	58.52
Warehouse Expenses	65.68	65.24
Rates and Taxes	2.65	9.24
Printing and Stationery	2.18	2.14
Travelling and Conveyance	149.94	132.76
Legal and Professional Charges	108.41	178.38
Insurance	25.78	28.28
Communication	5.73	6.92
Postage and Courier	52.80	46.66
Loss on Sale/ Discarding of Fixed Assets (Net)	0.25	-
Provision for Doubtful Debts/ Advances	-	6.47
Exchange Loss (Net)	-	51.59
Bad Debts/ Advances Written off	2.54	0.86
Product Testing Charges	76.25	85.05
Royalty	44.24	54.17
Payments to auditors (Refer note 23 (a) below)	3.23	3.72
Corporate Social Responsibility Expenses (Refer Note 23 (b) below)	11.00	5.57
Miscellaneous	22.20	22.43
<b>Total</b>	<b>2,956.76</b>	<b>3,074.23</b>
<b>Note 23 (a) : Details of Payments to auditors</b>		
Payments to auditors		
As auditor:		
Audit fee	2.25	2.50
Tax audit fee	0.38	0.43
<b>In Other capacities</b>		
Certification fees	0.60	0.67
Re-imbusement of expenses	-	0.12
<b>Total payments to auditors</b>	<b>3.23</b>	<b>3.72</b>
<b>Note 23 (b) : Corporate Social Responsibility Expenses</b>		
Contribution to Welspun Foundation for Health and Knowledge	11.00	5.57
<b>Total</b>	<b>11.00</b>	<b>5.57</b>
Amount required to be spent as per section 135 of the Companies Act, 2013	11.00	5.57
<b>Amount spent during the year on</b>		
(i) Construction/ acquisition of an asset	-	-
(ii) on purpose other than (i) above	11.00	5.57
	11.00	5.57
<b>Note 24 : Finance costs</b>		
<b>Interest and finance charges on financial liabilities not at fair value through profit or loss</b>		
Preference shares at amortised cost	67.14	62.41
Interest on Working Capital Loans	50.97	93.76
Interest to Others	3.20	6.67
Bill Discounting and Bank Charges	190.13	220.20
<b>Total</b>	<b>311.44</b>	<b>383.04</b>



**WELSPUN GLOBAL BRANDS LIMITED**

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

**Note 25 : Exceptional items**

During the previous year, the Company had made provision aggregating Rs. 399.28 million towards claims, export incentives, legal fees and other related expenses relating to the traceability issue. The Company has reassessed any requirement or otherwise of provision/liability as at March 31, 2018 towards the aforesaid issue and based on present state of information and knowledge no significant additional provision is considered necessary. The provision balance as at March 31, 2018 was Nil (March 31, 2017 - Nil).

**Note 26 : Income tax expense**

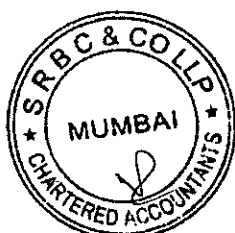
	(Rs. million)	
	As at March 31, 2018	As at March 31, 2017
<b>(a) Income tax expense</b>		
Current Tax		
Current Tax on profits for the year.	280.98	240.57
<b>Total current tax expense</b>	280.98	240.57
Deferred Tax		
Decrease (Increase) in deferred tax assets	(8.47)	31.40
(Decrease) Increase in deferred tax liabilities	(20.98)	(23.24)
<b>Total deferred tax expense/(benefit)</b>	(29.45)	8.16
<b>Income tax expense</b>	251.53	248.73
Income tax expense is attributable to :		
Profit for the year	251.53	248.73
	251.53	248.73

**(b) Other Comprehensive Income (OCI)**

	(Rs. million)	
	March 31, 2018	March 31, 2017
Deferred gain on cash flow hedges	514.40	(371.83)
Net loss/(gain) on remeasurement of defined benefit plans	(0.52)	(1.22)
<b>Total</b>	513.88	(373.05)

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

	(Rs. million)	
	As at March 31, 2018	As at March 31, 2017
Profit from continuing operations before income tax expense	715.46	611.85
<b>Tax at the Indian tax rate @ 34.61%</b>	247.62	211.76
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>		
Corporate social responsibility expenditure	5.50	0.90
Interest on Welspun Mauritius Enterprises Limited loan	(23.30)	8.38
Other Items	21.71	27.63
<b>Income Tax Expenses</b>	251.53	248.73



## WELSPUN GLOBAL BRANDS LIMITED

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

## Note 27 : Fair value measurements

## Financial instruments by category

	March 31, 2018			March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Others	4.10	-	-	4.29	-	-
Trade receivables	-	-	8,879.31	-	-	8,572.77
Security Deposits	-	-	176.95	-	-	143.90
Cash and cash equivalents and other bank balance	-	-	77.13	-	-	52.95
Government Grants	-	-	943.08	-	-	390.24
Mark-to-Market gain (Net) on Forward/ Swap Contracts	-	147.77	-	-	1,641.70	-
Others	-	-	66.38	-	-	8.90
<b>Total financial assets</b>	<b>4.10</b>	<b>147.77</b>	<b>10,142.85</b>	<b>4.29</b>	<b>1,641.70</b>	<b>9,168.76</b>
<b>Financial liabilities</b>						
Borrowings	-	-	2,356.85	-	-	2,617.73
Trade payables	-	-	8,453.00	-	-	7,114.25
Security Deposits	-	-	19.26	-	-	17.98
Mark-to-Market Loss on Forward Contracts	-	-	-	-	0.08	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>10,829.11</b>	<b>-</b>	<b>0.08</b>	<b>9,749.96</b>

## (i) Fair value of Financial assets and liabilities measured at amortised cost

	31-Mar-18		31-Mar-17	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
Investments				
Security Deposits	176.95	178.32	143.90	145.01
Loan to Employees	7.88	7.92	6.80	6.82
Fixed deposits with Banks with maturity period more than twelve months	1.02	0.99	0.95	0.96
Trade receivables	8,879.31	8,879.31	8,572.77	8,572.77
Government Grants	943.08	943.08	390.24	390.24
Cash and Cash equivalents	77.13	77.13	52.95	52.95
Others	57.48	57.48	1.15	1.15
<b>Total</b>	<b>10,142.85</b>	<b>10,144.23</b>	<b>9,168.76</b>	<b>9,169.90</b>
<b>Financial liabilities</b>				
Borrowings (including Liability component of compound financial instruments)	2,356.85	2,311.22	2,617.73	2,569.20
Security deposits more than 12 months	19.26	19.35	17.98	18.07
Trade payables	8,453.00	8,453.00	7,114.25	7,114.25
<b>Total</b>	<b>10,829.11</b>	<b>10,783.57</b>	<b>9,749.96</b>	<b>9,701.52</b>

The carrying amount of trade receivable, cash and cash equivalents and other bank balances, current loans, other current financial assets, other current financial liabilities and trade payable are considered to be the same as their value, due to their short-term nature. Also, the carrying amount of short term borrowing is considered to be approximately same as its fair value due to its short-term nature.

The fair value for security deposits was calculated based on cash flows discounted using a current lending rates. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

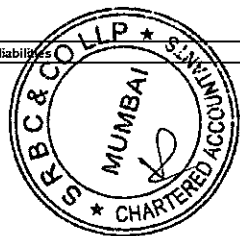
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## (ii) Fair value hierarchy

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

(Rs. million)					
Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2018</b>					
<b>Financial assets :</b>					
Financial Investments at FVPL					
Investments- Others	6(a)	-	4.10	-	4.10
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	6(c)	-	147.77	-	147.77
<b>Total financial assets</b>			<b>151.87</b>		<b>151.87</b>
<b>Financial liabilities</b>					
Derivatives designated as hedges					
Mark-to-Market Loss on Forward Contracts	11(b)	-	-	-	-
<b>Total financial liabilities</b>					

(Rs. million)					
Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
<b>At March 31, 2018</b>					
<b>Financial assets</b>					
Security Deposits	6(c)	-	-	178.32	178.32
Loan to Employees	6(b)	-	7.92	-	7.92
Fixed deposits with Banks with maturity period more than twelve months	6(c)	-	0.99	-	0.99
Trade receivables	6(d)	-	8,879.31	-	8,879.31
Government Grants	6(c)	-	943.08	-	943.08
Cash and Cash equivalents	6(e)	-	77.13	-	77.13
Others	6(c), 6(b)	-	57.48	-	57.48
<b>Total financial assets</b>			<b>9,965.91</b>	<b>178.32</b>	<b>10,144.23</b>
<b>Financial Liabilities</b>					
Borrowings	11(a)	-	1,511.26	799.96	2,311.22
Security deposits for more than 12 months	11(b)	-	-	19.35	19.35
Trade payables	11(c)	-	-	8,453.00	8,453.00
<b>Total financial liabilities</b>			<b>1,511.26</b>	<b>8,272.31</b>	<b>10,783.57</b>



WELSPUN GLOBAL BRANDS LIMITED

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

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2017					
Financial assets					
Financial investments at FVPL					
Investments-Others	6(a)	-	4.29	-	4.29
Derivatives designated as hedges					
Mark-to-Market Gain on Forward Contracts	6(c)	-	1,641.70	-	1,641.70
Total financial assets		-	1,645.99	-	1,645.99
Financial liabilities					
Derivatives designated as hedges					
Mark-to-Market Loss on Forward Contracts	11(b)	-	0.08	-	0.08
Total financial liabilities		-	0.08	-	0.08

(Rs. million)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At March 31, 2017					
Financial assets					
Security Deposits	6(c)	-	-	145.01	145.01
Loan to Employees	6(b)	-	6.82	-	6.82
Fixed deposits with Banks with maturity period more than twelve months	6(c)	-	0.96	-	0.96
Trade receivables	6(d)	-	8,572.77	-	8,572.77
Government Grants	6(c)	-	390.24	-	390.24
Cash and Cash equivalents	6(e)	-	52.95	-	52.95
Others	6(c), 6(b)	-	1.15	-	1.15
Total financial assets		-	9,024.89	145.01	9,169.90
Financial Liabilities					
Borrowings	11(a)	-	1,839.29	729.91	2,569.20
Security deposits for more than 12 months	11(b)	-	-	18.07	18.07
Total financial liabilities		-	1,839.29	747.98	2,587.27

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

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

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

Valuations of Level 2 instruments can be verified to recent trading activity for identical or similar instruments, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. Consideration is given to the nature of the quotations (e.g., indicative or firm) and the relationship of recent market activity to the prices provided from alternative pricing sources.

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

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

iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

iv) Valuation inputs and relationships to fair value

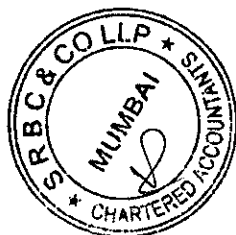
The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted

Particulars	Fair Value (Rs. million)		Significant unobservable inputs*	Probability-weighted range		Sensitivity
	31-Mar-18	31-Mar-17		31-Mar-18	31-Mar-17	
Preference Shares	799.96	729.91	Risk Adjusted Discount Rate	9.50%	10%	March 31, 2018 - Increase in discount factor by 50 basis points (bps) would decrease face value by Rs. 25.40 million and decrease in discount rate by 50 bps would increase face value by Rs. 52.18 million. March 31, 2017 - Increase in discount factor by 50 basis points (bps) would decrease face value by Rs. 26.40 million and decrease in discount rate by 50 bps would increase face value by Rs. 27.60 million.

v) Valuation processes :

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO).

Discussions of valuation processes and results are held between the CFO, and the valuation team at least once every three months in line with company's quarterly reports.



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

## Note 28 - Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects of the financial performance of the Company, derivatives financial instruments, such as foreign exchange contracts are entered to hedge certain foreign currency risk exposure. Derivatives are used exclusively for hedging purpose and not as trading or speculative instruments.

This note explain the sources of risk which the entity is exposed to and how the entity manages the risk and impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exchange Contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in Bonds	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by the Risk Management committee, under policies approved by the Board of Directors. Company Risk Management committee identifies, evaluates and hedges financial risk in close cooperation with Company's respective department heads. The Board provides policy for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

## (A) Credit risk

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

## (i) Credit Risk Management

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

The Company determines default by considering the business environment in which the Company operates and other macro-economic factors. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- Actual or expected significant adverse changes in business;
- Actual or expected significant changes in the operating results of the counterparty;
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- Significant increase in credit risk on other financial instruments of the same counterparty;
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company.

## Trade Receivable

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. The following table gives details in respect of percentage of revenue generated from the top ten customers.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from top ten customers	64.09%	79.30%

## Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, Derivative financial instruments, investments in government securities and bonds, and investments in mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have good credit ratings, good reputation, good past track records and reviews and hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

## Ageing of Trade receivables is as follows

As at March 31, 2018

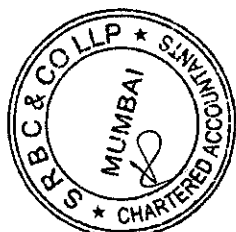
(Rs.million)

Ageing	Less than 3 months	3 months to 6 months	Above 6 months	Total
Gross Carrying amount	8,215.39	302.83	372.74	8,890.96
Expected loss rate	-	-	3%	361.05
Allowance for doubtful debts	-	-	11.70	11.70
Carrying amount of trade receivables (net of impairment)	8,215.39	302.83	361.01	8,879.23

As at March 31, 2017

(Rs.million)

Ageing	Less than 3 months	3 months to 6 months	Above 6 months	Total
Gross Carrying amount	8,353.35	231.39	-	8,584.74
Expected loss rate	-	5%	-	0.05
Allowance for doubtful debts	-	11.97	-	11.97
Carrying amount of trade receivables (net of impairment)	8,353.35	219.42	-	8,572.77





WELSPUN GLOBAL BRANDS LIMITED

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

Reconciliation of loss allowance provision - Trade receivables

	(Rs. million)
Amount	
Allowance for doubtful debts on March 31, 2017	11.97
Change in Allowance for doubtful debts (net)	(0.27)
Allowance for doubtful debts on March 31, 2018	11.70

The Company mitigates its credit risk routing its sales either under documentary letter of credit or are under cover of credit insurance policy.

B. Liquidity risk

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

(i) Financing arrangements

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

	(Rs. million)	
	31-Mar-18	31-Mar-17
Expiring with one year (Export bills discounting, Bank overdraft etc.)	3,489.00	2,543.03
<b>TOTAL</b>	<b>3,489.00</b>	<b>2,543.03</b>

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

(ii) Maturities of Financial liabilities

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

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

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

(Rs. million)							
As at March 31, 2018	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
<b>Contractual maturities of financial liabilities</b>							
Non derivatives							
Borrowings	1,511.00	-	-	-	-	845.59	2,356.59
Trade payables	7,686.27	576.65	209.95	0.12	-	-	8,453.00
Other financial liabilities	-	-	-	-	19.26	-	19.26
<b>Total non derivatives liabilities</b>	<b>9,177.27</b>	<b>576.65</b>	<b>209.95</b>	<b>0.12</b>	<b>19.26</b>	<b>845.59</b>	<b>10,828.85</b>
Derivatives							
Forward contracts	-	75.19	67.67	-	-	-	142.86
<b>Total derivatives liabilities</b>	<b>-</b>	<b>75.19</b>	<b>67.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142.86</b>

8,453.00

(Rs. million)							
As at March 31, 2017	Less than 3 Months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Beyond 5 years	Total
<b>Contractual maturities of financial liabilities</b>							
Non derivatives							
Borrowings	1,839.29	-	-	-	-	778.45	2,617.74
Trade payables	7,114.24	-	-	-	-	-	7,114.24
Other financial liabilities	2.40	-	-	-	17.98	-	20.38
<b>Total non derivatives liabilities</b>	<b>8,955.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.98</b>	<b>778.45</b>	<b>9,752.36</b>
Derivatives							
Forward contracts	0.08	-	-	-	-	-	0.08
<b>Total derivatives liabilities</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.08</b>

C. Market risk

(i) Foreign currency risk

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

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period is as follows

(Rs. million)						
	31-Mar-18			March 31, 2017		
	USD (\$)	EUR (€)	GBP (£)	USD (\$)	EUR (€)	GBP (£)
<b>Financial Assets</b>						
Trade Receivables	8,003.72	75.25	9.67	7,579.51	47.09	34.32
Others	-	-	-	-	-	-
Derivative contracts	-	-	-	-	-	-
Forward	-	-	-	-	-	-
Interest Rate swap	-	-	-	-	-	-
Coupon only swap	-	-	-	-	-	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>8,003.72</b>	<b>75.25</b>	<b>9.67</b>	<b>7,579.51</b>	<b>47.09</b>	<b>34.32</b>
<b>Financial liabilities</b>						
Borrowings	1,511.26	-	-	1,838.97	-	-
Trade payables	695.22	-	0.25	203.90	15.63	43.35
Derivative contracts	-	-	-	-	-	-
Forward	-	-	-	-	-	-
Interest Rate swap	-	-	-	-	-	-
Coupon only swap	-	-	-	-	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>2,206.48</b>	<b>-</b>	<b>0.25</b>	<b>2,040.87</b>	<b>15.63</b>	<b>43.35</b>



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

## (b) Foreign currency sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts

	Impact on profit before tax		Impact on other components of equity	
	March 31 2018	March 31 2017	March 31 2018	March 31 2017
<b>USD sensitivity</b>				
USD - INR - Increase by 3% (March 31, 2017 - 4%)*	173.92	221.55	0.00	0.00
USD - INR - Decrease by 3% (March 31, 2017 - 4%)*	(173.92)	(221.55)	0.00	0.00
<b>EURO sensitivity</b>				
EURO - INR - Increase by 3% (March 31, 2017 - 4%)*	2.26	1.26	0.00	0.00
EURO - INR - Decrease by 3% (March 31, 2017 - 4%)*	(2.26)	(1.26)	0.00	-
<b>GBP sensitivity</b>				
GBP - INR - Increase by 3% (March 31, 2017 - 4%)*	0.28	(0.36)	0.00	0.00
GBP - INR - Decrease by 3% (March 31, 2017 - 4%)*	(0.28)	0.36	0.00	0.00

\* Holding all other variables constant

## (ii) Cash flow and fair value interest rate risk

The Company is not exposed to interest rate risk because funds are borrowed at fixed interest rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations.

## (a) Interest rate risk exposure

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

Particulars	(Rs. million)	
	As at March 31, 2018	As at March 31, 2017
Fixed rate borrowings	2,356.59	2,617.74
<b>Total borrowings</b>	<b>2,356.59</b>	<b>2,617.74</b>

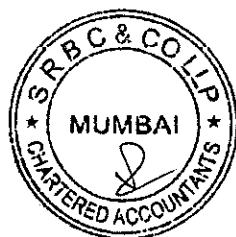
As at the end of the reporting period, the Company had NIL variable rate borrowing sensitivity analysis has not been carried out.

## Impact of hedging activities

Disclosure of effects of hedge accounting on financial positions:

31-Mar-18	Nominal value	Carrying amount of hedging instrument		Maturity date	Hedging Ratio	Weighted average strike price/rate	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognizing effectiveness
	Assets	Assets	Liabilities					
<b>Cash flow hedge</b>								
<b>Foreign exchange risk</b>								
Forward contracts (USD-INR)	26,526.72	154.25	-	01-Apr-18 to 29-Mar-19	1:1	66.88	861.13	(861.13)
Forward contracts (EURO-INR)			-					-
Forward contracts (GBP-INR)			-					-

31-Mar-17	Nominal value	Carrying amount of hedging instrument		Maturity date	Hedging Ratio	Weighted average strike price/rate	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognizing effectiveness
	Assets	Assets	Liabilities					
<b>Cash flow hedge</b>								
<b>Foreign exchange risk</b>								
Forward contracts (USD-INR)	30,114.78	1,641.15	-	01-Apr-17 to 30-Mar-18	1:1	70.12	2,053.16	(2,053.16)
Forward contracts (EURO-INR)	9.67	0.21	-	01-Apr-17 to 19-Apr-17	1:1	70.84	-	-
Forward contracts (GBP-INR)	24.58	0.26	-	01-Apr-17 to 28-Apr-17	1:1	81.93	-	-



## WELSPUN GLOBAL BRANDS LIMITED

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

(Rs.million)

## Disclosure of effects of hedge accounting on financial performance

March 31, 2018 Type of hedge	Change in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit and loss	Amount reclassified from cash flow hedging reserve to profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge Foreign exchange risk	861.13	6.48	2,354.99	Revenue

March 31, 2017 Type of hedge	Change in the value of the hedging instrument recognized in OCI	Hedge ineffectiveness recognized in profit and loss	Amount reclassified from cash flow hedging reserve to profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge Foreign exchange risk	2,053.16	(15.87)	978.76	Revenue

The Company's hedging policy allows for effective hedge relationship to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between hedge item and hedging instrument. The Company uses hypothetical derivative method to assess effectiveness.

## Movement in cash flow hedging reserve

Risk category	(Rs. million)	
	Foreign currency risk	Total
Derivative instruments	Forward contracts	
(i) Cash flow hedging reserve		
As at April 01, 2016	373.02	373.02
Add: Gain recognised in other comprehensive income during the year	2,053.16	2,053.16
Less: Amounts reclassified to profit or loss	(978.76)	(978.76)
Less: Deferred Tax	(371.83)	(371.83)
As at March 31, 2017	1,075.59	1,075.59
Add: Gain recognised in other comprehensive income during the year	861.13	861.13
Less: Amounts reclassified to profit or loss	(2,354.99)	(2,354.99)
Less: Deferred Tax	514.40	514.40
As at March 31, 2018	96.14	96.14

Note:- As at the Balance Sheet date, the foreign currency exposure not hedged by a derivative instrument or otherwise aggregates Rs. 8088.63 million (March 31, 2017: Rs. 7660.92 million) for receivables and Rs. 2206.73 million (March 31, 2017: Rs. 2099.85 million) for payables.



**WELSPUN GLOBAL BRANDS LIMITED**

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

**Note 29 - Capital management**

**(a) Risk Management**

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and other short term borrowings.

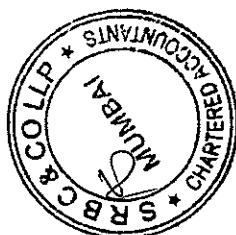
The Company monitors capital on the basis of the net debt to equity ratio. The Company is not subject to any externally imposed capital requirements.

The following table summarizes the capital structure of the Company:

	March 31, 2018	March 31, 2017
Non-current borrowings (Refer Note below)	845.59	778.45
Current maturities of long term debt	-	2.32
Current borrowings	332.00	1,836.97
Less: cash and cash equivalents	(76.27)	(52.45)
Net debt	1,101.32	2,565.29
Total equity	2,676.26	3,181.79
Gearing ratio	0.41	0.81

**Note :**

Non-current borrowings includes liability component of compound financial instruments [Refer Note 11 (a)]



**WELSPUN GLOBAL BRANDS LIMITED**

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

**30 Contingent Liabilities:**

	<b>(Rs. million)</b>	
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
[a] Disputed Sales Tax Liabilities	1.20	21.26
[b] Income Tax Liabilities	130.12	112.59
[c] Claims against the Company not acknowledged as debts	48.51	48.51

(a) It is not practicable to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

**31 Leases**

Where the Company is a lessee:

**Operating Lease**

The Company has taken various office premises under operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. The initial tenure of lease is generally for eleven months to sixty months.

The aggregate rental expenses of all the operating leases for the year are Rs.75.72 million (Previous Year: Rs 58.52 million).

The company has no non-cancellable operating lease.

**32 Segment Information for the year ended March 31, 2018**

**(a) Information about Primary Business Segment**

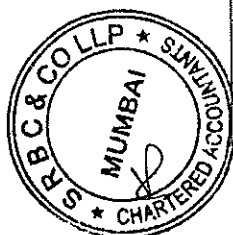
The Company is engaged in the trading of Home Textiles which includes towels, bath robes, bath rugs/mats, area rugs, carpet, bedsheets, utility bedding and fashion bedding.

The chief operational decision maker monitors the operating results under single operating segment viz., "Home Textiles" for the purpose of making decision about profit or loss in the financial statements. As per requirement of Ind-AS 108 "operating Segments" no disclosure is required as the company is operating in single segment namely "Home Textiles".

**(b) Information about revenue from external customers and non-current assets in various geographical areas:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>(Rs. million)</b>		
		<b>Geographical segments</b>		<b>Total</b>
		<b>Outside India</b>	<b>Within India</b>	
<b>1.</b>	<b>Segment Revenue</b>			
	Revenue from Operations	44,903.52 (50,149.77)	1,743.34 (1,494.43)	<b>46,646.86</b> <b>(51,644.20)</b>
<b>2.</b>	<b>Carrying amount of assets by geographical location of assets</b>			
	Segment assets	9,168.47 (7,107.16)	4,705.50 (6,835.73)	<b>13,873.97</b> <b>(13,942.89)</b>
<b>3.</b>	<b>Additions to fixed assets</b>	- (-)	12.27 (29.49)	<b>12.27</b> <b>(29.49)</b>

Figures in brackets relate to previous year.



**WELSPUN GLOBAL BRANDS LIMITED**

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

**Information about major customers.**

The revenue from wholesale sales of home textiles relates majorly to the group's own brand, Welspun Global Brands Limited.

Particulars	(Rs. million)			
	For the year ended			
	March 31, 2018		March 31, 2017	
	Revenue	Percentage	Revenue	Percentage
Top 10 Customers	34,303.37	64.09%	39,280.95	79.3%

**33 Earnings in Foreign Currency  
(Rs. million)**

		Year Ended March 31, 2018	Year Ended March 31, 2017
(a)	Revenue from Exports on FOB basis	40,503.35	46,594.76
	<b>Total</b>	<b>40,503.35</b>	<b>46,594.76</b>

**34 Expenditure in Foreign Currency  
(Rs. million)**

		Year Ended March 31, 2018	Year Ended March 31, 2017
(a)	Travelling	53.55	51.65
(b)	Sales Commission	485.25	585.76
(c)	Professional Charges	38.22	57.21
(d)	Claims, Discounts and Rebates (netted in Revenue from Operations)	357.74	208.85
(e)	Exceptional Items (Refer Note 25)	0.00	355.39
(f)	Advertisement and Sales Promotion	1,135.81	526.88
(g)	Royalty	42.99	54.17
(h)	Product Testing Expenses	27.46	26.48
(i)	Membership and Subscription	0.11	1.05
(j)	Freight & Forwarding Expenses	17.66	0.00
(k)	Others	32.41	8.20
	<b>Total</b>	<b>2,191.20</b>	<b>1,875.64</b>



**WELSPUN GLOBAL BRANDS LIMITED**

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

**35 Related Party Disclosures**

(i) Relationships

	<b>Control</b>	
(a)	Holding Company	Welspun India Limited (WIL)
(b)	Subsidiary Companies	Welspun Mauritius Enterprises Limited (WMEL)
		Welspun Holdings Private Limited, Cyprus (WHPL)
		Novelty Home Textiles SA de CV (Held through WMEL)
		Welspun UK Limited (WUKL) (Held through CHTL)
		Christy Lifestyle USA LLP (CHRISTY LLP) (Held through WUKL)
		Welspun USA Inc., USA (WUSA)
		Welspun Home Textiles UK Limited (WHTUKL) (Held through WHPL)
		CHT Holdings Limited UK (CHTHL) (Held through WHTUKL)
		Christy Home Textiles Limited (CHTL) (Held through CHTHL)
		Christy Welspun GmbH (CWG) (Held through WUKL)
		ER Kingsley (Textiles) Limited (ERK) (Held through CHTL)
		Christy UK Limited (CUKL) (Held through CHTL)
		Christy 2004 Limited (Held through WUKL)

(ii) Terms and conditions:

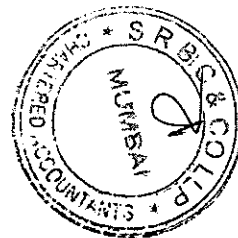
- All transactions were made on normal commercial terms and conditions and at market rates.
- All outstanding balances are unsecured and are payable in cash



25 (iii) Following are the transactions with related parties mentioned in (i) above and the year-end balances.

[illegible]

**Note:**  
Previous year figures are given in brackets.  
# Amount is below it's rounding norms adopted by the Company  
\$ Amount is above it's rounding norms adopted by the Company





**WELSPUN GLOBAL BRANDS LIMITED**

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

**36 Earnings per Share**

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit after Tax (A) (Rs. million)	463.93	363.12
Profit available for Equity Share holders	463.93	363.12
Weighted average number of equity shares outstanding during the year (B)	23,529,412	23,529,412
Basic and Diluted earnings per share (A)/(B) (Rs.)	19.72	15.43
Nominal value of an equity share (Rs.)	10	10

**37 Details of Research and Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss are given below:**

(Rs. million)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Employee Benefit Expenses	7.32	6.52
Others	90.88	167.78
<b>Total</b>	<b>98.20</b>	<b>174.30</b>

**38** In accordance with paragraph 4(a) of Ind AS 110 "Consolidated Financial Statements", Welspun Global Brands Limited has elected not to prepare consolidated financial statements and has prepared only separate financial statements as defined in Ind AS 27 – Separate Financial Statements. Disclosures required in accordance with Ind AS 27 by entities who have elected not to prepare separate financial statements are; Details of Parent whose Ind AS compliant financial statements have been produced for public use;

Name of the Parent Company	Principal Place of Business	Country of Incorporation	Address where consolidated statements are available for use
Welspun India Limited	Anjar, Vapi Mumbai	India	Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Maharashtra 400013

**Significant Investment in subsidiaries**

Name of Subsidiary	Principal Place of Business	Value of Investment (Millions)	% Holding	Method used for accounting for investment
Welspun USA Inc.	USA	281.97	69.17%	At Cost
Welspun Holding Private Limited (Cyprus)	Cyprus	410.51	93.06%	At Cost



WELSPUN GLOBAL BRANDS LIMITED

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

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

Signatures to Notes to financial statements

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



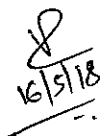
Per Anil Jobanputra

Partner

Membership Number: 110759

Place: Mumbai

Date: May 16, 2018



16/5/18



For and on behalf of the Board of Directors



Dipali Goenka

Managing Director

DIN 00007199

Place: Mumbai

Date: May 16, 2018



Nidhi Tanna

Company Secretary

Place: Mumbai

Date: May 16, 2018



Rajesh Mandawewala

Director

DIN 00007179

Place: Mumbai

Date: May 16, 2018



Mukesh Khandelwal

Chief Financial Officer

Place: Mumbai

Date: May 16, 2018



