

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

**To The Members of Welspun Global Brands Limited (Formerly known as Welspun Retail Limited)**

### Report on the Standalone Financial Statements

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

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

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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



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

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Global Brands Limited (formerly known as Welspun Retail Limited)

Report on the Financial Statements

Page 2 of 3

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

### Opinion

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

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of Welspun Global Brands Limited (formerly known as Welspun Retail Limited)  
Report on the Financial Statements

Page 3 of 3

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements.
  - ii. The Company has long-term contracts as at March 31, 2016 for which there were no material foreseeable losses. The Company does not have long term derivative contracts as at March 31, 2016.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

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



Mehul Desai  
Partner  
Membership Number: 103211

Mumbai  
April 25, 2016

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Welspun Global Brands Limited (formerly known as Welspun Retail Limited) on the standalone financial statements as of and for the year ended March 31, 2016

Page 1 of 2

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

1. We have audited the internal financial controls over financial reporting of Welspun Global Brands Limited (formerly known as Welspun Retail Limited) ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

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



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Welspun Global Brands Limited (formerly known as Welspun Retail Limited) on the standalone financial statements as of and for the year ended March 31, 2016

Page 2 of 2

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

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

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



Mehul Desai  
Partner  
Membership Number: 103211

Mumbai  
April 25, 2016



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Global Brands Limited (formerly known as Welspun Retail Limited) on the standalone financial statements as of and for the year ended March 31, 2016

Page 1 of 3

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
  
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) The Company does not own any immovable properties as disclosed in Note 12 on fixed assets to the financial statements. Therefore the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The physical verification of inventory excluding stocks with third parties and stocks in transit have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of, provident fund and income tax, though there has been a slight delay in a few cases and is regular in depositing other undisputed statutory dues, including employees' state insurance, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs, duty of excise and cess which have not been deposited on account of any dispute. The particulars of dues of sales tax and value added tax as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Global Brands Limited (formerly known as Welspun Retail Limited) on the standalone financial statements for the year ended March 31, 2016

Page 2 of 3

Name of the statute	Nature of dues	Amount (Rs. In Million)*	Period to which the amount relates	Forum where the dispute is pending
Kerala VAT Act, 2003	Sales Tax	0.01	August 2007	Appellate Tribunal
Kerala VAT Act, 2003	Sales Tax incl. interest	0.03	2007-08	Assistant Commissioner
Kerala VAT Act, 2003	Sales Tax	0.01	2009-10	Deputy Commissioner
Madhya Pradesh VAT Act, 2002	VAT, Entry Tax	0.63	2008-09	Sales Tax Officer
Central Sales Tax Act, 1958	Central Sales Tax	19.01	2008-09	Deputy Commissioner (Sales Tax)

\*Net of amount paid under protest.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. The Company does not have any loans from Government. Further, the Company has not issued any debenture.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Welspun Global Brands Limited (formerly known as Welspun Retail Limited) on the standalone financial statements for the year ended March 31, 2016

Page 3 of 3

- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Mehul Desai  
Partner  
Membership Number: 103211

Mumbai  
April 25, 2016



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	Note	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	393.84	393.84
Reserves and Surplus	4	2,907.96	1,986.43
<b>Non-current Liabilities</b>			
Long-term Borrowings	5	2.32	5.39
Other Long-term Liabilities	6	13.43	5.92
Long-term Provisions	7	42.90	36.29
<b>Current Liabilities</b>			
Short-term Borrowings	8	26.14	796.72
Trade Payables	9		
a) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		4,062.30	4,082.94
Other Current Liabilities	10	134.08	78.34
Short-term Provisions	11	7.81	10.07
<b>Total</b>		<b>7,590.78</b>	<b>7,395.94</b>
<b>Assets</b>			
<b>Non-current Assets</b>			
Fixed assets			
Tangible Assets	12	10.64	9.15
Intangible Assets	13	11.55	11.49
Non-current Investments	14	700.26	698.96
Deferred Tax Assets (Net)	15	58.86	45.93
Long-term Loans and Advances	16	324.79	324.02
Other Non-current Assets	17	-	25.59
<b>Current Assets</b>			
Inventories	18	1,041.83	1,386.04
Trade Receivables	19	3,384.95	2,438.29
Cash and Bank Balances	20	170.98	57.08
Short-term Loans and Advances	21	1,319.59	1,935.15
Other Current Assets	22	567.33	464.24
<b>Total</b>		<b>7,590.78</b>	<b>7,395.94</b>

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

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

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



Mehul Desai  
Partner  
Membership No. 103211

For and on behalf of the Board of Directors



Dipali Goenka  
Managing Director  
DIN 00007199



Rajesh Mandawewala  
Director  
DIN 00007179



Nidhi Tanna  
Company Secretary



Mukesh Khandelwal  
Chief Financial Officer

Place: Mumbai  
Date: April 25, 2016

Place: Mumbai  
Date: April 25, 2016

**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	Note	Year Ended March 31, 2016 (Rs. million)	Year Ended March 31, 2015 (Rs. million)
<b>Revenue from Operations</b>	23	51,107.19	44,169.76
<b>Other Income</b>	24	26.22	36.45
<b>Total Revenue</b>		<b>51,133.41</b>	<b>44,206.21</b>
<b>Expenses</b>			
Purchases of stock-in-trade	25	45,605.13	40,303.33
Changes in Inventories of stock-in-trade	26	344.21	(139.05)
Employee benefits expense	27	462.57	328.85
Finance costs	28	380.65	501.98
Depreciation and amortisation expense	29	7.83	8.25
Other expenses	30	3,233.13	2,426.26
<b>Total Expenses</b>		<b>50,033.52</b>	<b>43,429.62</b>
<b>Profit before Exceptional Items and Tax</b>		<b>1,099.89</b>	<b>776.59</b>
<b>Exceptional Items</b>			
- Provision for doubtful loans and advances	35	12.59	10.76
<b>Profit Before Tax</b>		<b>1,087.30</b>	<b>765.83</b>
<b>Tax Expense</b>			
Current Tax		406.60	266.55
Deferred Tax		(12.93)	6.86
<b>Profit for the Year</b>		<b>693.63</b>	<b>492.42</b>
<b>Earning Per Share (Rs.) [Nominal value per share: Rs. 10 (2015: Rs.10)]</b>	41		
-Basic and Diluted earnings per share		29.47	20.92

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

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

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



**Mehul Desai**  
Partner  
Membership No. 103211

For and on behalf of the Board of Directors



**Dipali Goenka**  
Managing Director  
DIN 00007199



**Rajesh Mandawala**  
Director  
DIN 00007179



**Nidhi Tanna**  
Company Secretary



**Mukesh Khandelwal**  
Chief Financial Officer

Place: Mumbai  
Date: April 25, 2016

Place: Mumbai  
Date: April 25, 2016

**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	For the Year Ended March 31, 2016 Rs. million	For the Year Ended March 31, 2016 Rs. million	For the Year Ended March 31, 2015 Rs. million
<b>A. CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES</b>			
Net Profit Before Exceptional and Extraordinary Item and Tax		1,099.89	776.59
Adjustments for :			
Depreciation and Amortisation	7.83		8.25
Unrealised Foreign Exchange Differences	(48.16)		(19.13)
Loss on Sale/ Discarding of Fixed Assets	0.17		0.14
Dividend	-		(3.77)
Liabilities Written Back as no Longer Required	(6.51)		(1.54)
Provision for Doubtful Debts Written Back (Net)	(1.90)		(7.48)
Debts/ Advances Written off	-		-
Interest Income	(17.13)		(0.19)
Interest and Other Expenses	380.65		501.98
		314.95	478.26
Operating Profit Before Working Capital Changes		1,414.84	1,254.85
<b>Adjustments for changes in working capital :</b>			
Trade and Other Receivables	(896.26)		170.52
Trade, Other Payables and Provisions	38.28		1,335.58
Inventories	344.21		(139.05)
Loans and Advances	624.67		(362.31)
		110.90	1,004.74
Cash Flow Generated from Operations		1,525.74	2,259.59
Income Tax paid		(264.19)	(230.04)
<b>Net Cash Flow from / (used in) Operating Activities</b>		1,261.55	2,029.55
<b>B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets		(9.54)	(3.15)
Sale of Fixed Assets		-	0.01
(Investment in)/ realisation of Fixed Deposits and Margin Money		-	(0.01)
(Purchase)/ Sales of Investment (Net)		(1.30)	(1.19)
Dividend Received		-	3.77
Interest Received		17.06	0.16
<b>Net Cash Flow from / (used in) Investing Activities</b>		6.22	(0.41)
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>			
Redemption of Preference Shares		-	(1,000.00)
Proceeds from / (Repayment of) Borrowings		(2.72)	(2.41)
Proceeds from / (Repayment of) Working capital loan		(770.58)	(534.00)
Interest and Other Finance Expenses		(380.65)	(501.98)
<b>Net Cash Flow from / (used in) Financing Activities</b>		(1,153.95)	(2,038.39)
<b>(A + B + C)</b>		113.82	(9.25)
Cash and Cash Equivalents at the beginning of the year		56.67	65.92
Cash and Cash Equivalents at the end of the year (Refer Note 20)		170.49	56.67
<b>Net Increase in Cash and Cash Equivalents</b>		113.82	(9.25)

**Note :**

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

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

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

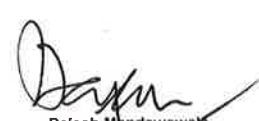


**Mehul Desai**  
Partner  
Membership No. 103211

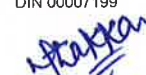
For and on behalf of the Board of Directors



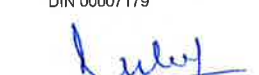
**Dipali Goenka**  
Managing Director  
DIN 00007199



**Rajesh Mandawewala**  
Director  
DIN 00007179



**Nidhi Tanna**  
Company Secretary



**Mukesh Khandelwal**  
Chief Financial Officer

Place: Mumbai  
Date: April 25, 2016

Place: Mumbai  
Date: April 25, 2016

**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**1. General Information**

The Company was incorporated on December 14, 2004 and is engaged in trading in home textile products mainly in the international markets and on a smaller scale in the domestic market.

**2. Summary of Significant Accounting Policies**

**2.1 Basis of Preparation**

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

Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act.

The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 1, 2016.

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

**2.2 Tangible Assets**

Tangible Assets are stated at cost (net of cenvat credit, wherever applicable) less accumulated depreciation and impairment losses, if any.

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

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



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

Depreciation on Tangible assets is provided on a pro-rata basis on the straight-line method over the estimated useful lives.

<b>Assets</b>	<b>Useful Life (Years)</b>
Electrical Installation	10
Vehicles	5
Furniture and Fixtures	10
Office Equipment	5
Computers	3

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

Leasehold improvements are amortised on straight-line basis over the primary period of lease or its useful life, whichever is lower.

### **2.3 Intangible Assets**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets comprise of computer software which is amortised on a straight-line basis over a period of five years. Cost of software includes license fees and implementation/ integration expenses.

### **2.4 Investments**

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

### **2.5 Inventories**

- (a) Inventories are valued at lower of cost and net realisable value.
- (b) Cost of traded goods is determined on first-in-first out (FIFO) method. Net realisable value is the estimate of the selling price in the ordinary course of the business, less estimated costs necessary to make the sale.

### **2.6 Current and deferred Tax**

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

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognised deferred tax assets, if any.

Deferred tax assets arising in situations where there are brought forward losses and unabsorbed depreciation as per the Income Tax Act, 1961, of India, are recognised only when there is a virtual certainty supported by convincing evidence that such assets will be realised.





**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

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

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

## **2.7 Employee Benefits**

### **Provident Fund**

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

### **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.

### **Gratuity**

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

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

### **Compensated Absences**

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

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



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**2.8 Foreign Currency Translation**

**Initial Recognition**

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

**Subsequent Recognition**

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

All monetary assets and liabilities in foreign currency are restated at the end of accounting period. Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss.

**Forward Exchange Contracts**

In respect of forward exchange contracts, other than forward exchange contracts in respect of firm commitments and highly probable forecast transactions, the premium or discount arising at the inception of forward exchange contract, is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

In respect of forward exchange contracts and currency options taken to hedge the risks associated with foreign currency fluctuations relating to firm commitments and highly probable forecast transactions, the Company has adopted Accounting Standard 30 'Financial Instruments: Recognition and Measurement'. Accordingly, foreign currency fluctuations relating to firm commitments and highly probable forecast transactions are fair valued at each reporting date. Changes in the fair value of these hedging instruments that are designated and considered as effective hedges of highly probable forecasted transactions are recognised directly in shareholders' funds under 'Hedging Reserve Account' to be recognised in the Statement of Profit and Loss when the underlying transaction occurs. Changes in the fair value of the hedging instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

**2.9 Revenue Recognition**

**Sale of Products:** Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts. 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.

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

**2.10 Other Income**

**Interest:** Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend:** Dividend income is recognised when the right to receive dividend is established.



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**2.11 Impairment**

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

**2.12 Provisions and Contingent Liabilities**

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

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

**2.13 Leases**

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

**2.14 Cash and Cash Equivalents**

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

**2.15 Earnings Per Share**

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



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**Note 3 : Share Capital**

	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)
<b>Authorised</b>		
25,000,000 (March 31, 2015 : 25,000,000) Equity Shares of Rs. 10 each	250.00	250.00
14,000,000 (March 31, 2015 : 14,000,000) 0% Redeemable Cumulative Preference Shares of Rs. 10 each	140.00	140.00
2,500,000 (March 31, 2015 : 2,500,000) 0% Redeemable Preference Shares of Rs. 10 each	25.00	25.00
1,000,000 (March 31, 2015 : 1,000,000) 1% Redeemable Cumulative Preference shares of Rs. 10 each	10.00	10.00
<b>Total</b>	<b>425.00</b>	<b>425.00</b>
<b>Issued, Subscribed and Paid Up</b>		
23,529,412 (March 31, 2015 : 23,529,412) Equity Shares of Rs. 10 each fully paid up	235.29	235.29
13,464,800 (March 31, 2015 : 13,464,800) 0% Redeemable Cumulative Preference shares of Rs. 10 each, fully paid up	134.65	134.65
1,389,575 (March 31, 2015 : 1,389,575) 0% Redeemable Preference shares of Rs. 10 each, fully paid up	13.90	13.90
1,000,000 (March 31, 2015 : 1,000,000) 1% Redeemable Cumulative Preference shares of Rs. 10 each, fully paid up	10.00	10.00
<b>Total</b>	<b>393.84</b>	<b>393.84</b>

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

**Equity Shares :**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount (Rs. million)	Number of Shares	Amount (Rs. million)
Balance as at the beginning of the year	23,529,412	235.29	23,529,412	235.29
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	23,529,412	235.29	23,529,412	235.29

**0% Redeemable Cumulative Preference Shares**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount (Rs. million)	Number of Shares	Amount (Rs. million)
Balance as at the beginning of the year	13,464,800	134.65	13,464,800	134.65
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	13,464,800	134.65	13,464,800	134.65

**0% Redeemable Preference Shares**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount (Rs. million)	Number of Shares	Amount (Rs. million)
Balance as at the beginning of the year	1,389,575	13.90	2,389,575	23.90
Add : Shares issued during the year	-	-	-	-
Less : Shares redeemed during the year	-	-	1,000,000	10.00
Balance as at the end of the year	1,389,575	13.90	1,389,575	13.90





**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**1% Redeemable Cumulative Preference Shares**

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Amount (Rs. million)	Number of Shares	Amount (Rs. million)
Balance as at the beginning of the year	1,000,000	10.00	1,000,000	10.00
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	1,000,000	10.00	1,000,000	10.00

**(b) 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.

**Preference Shares**

13,464,800 (March 31, 2015 : 13,464,800) 0% Redeemable Cumulative Preference Shares of Rs. 10 each are redeemable at par at the end of 13 years from the date of allotment i.e. April 1, 2011

1,389,575 (March 31, 2015 : 1,389,575) 0% Redeemable Preference Shares of Rs. 10 each 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

1,000,000 (March 31, 2015 : 1,000,000) 1% Redeemable Cumulative Preference Shares of Rs. 10 each are redeemable at par at the end of 13 years from the date of allotment i.e. October 28, 2013.

**(c) Shares held by holding company or subsidiary of holding company :**

	As at March 31, 2016		As at March 31, 2015	
	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
0% Redeemable Cumulative Preference Shares of Rs. 10 each, fully paid up	13,464,800	134.65	13,464,800	134.65
0% Redeemable Preference Shares of Rs. 10 each, fully paid up	1,389,575	13.90	1,389,575	13.90
1% Redeemable Cumulative preference shares of Rs. 10 each, fully paid up	1,000,000	10.00	1,000,000	10.00

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

	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	%	Number of Shares	%
<b>Equity Shares :</b>				
Welspun India Limited	23,065,503	98.03%	23,065,503	98.03%
<b>Preference Shares</b>				
0% Redeemable Cumulative Preference Shares of Rs. 10 each fully paid up Welspun India Limited	13,464,800	100.00%	13,464,800	100.00%
0% Redeemable Preference Shares of Rs. 10 each fully paid up Welspun India Limited	1,389,575	100.00%	1,389,575	100.00%
1% Redeemable Cumulative Preference Shares of Rs. 10 each fully paid up Welspun India Limited	1,000,000	100.00%	1,000,000	100.00%

**(e) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceeding March 31, 2016)**

2,389,575, 0% Redeemable Preference Shares of Rs. 10 each fully paid were issued in December 2012 to the Welspun India Limited pursuant to the composite scheme of arrangement between Welspun India Limited, the Company and erstwhile Welspun Global Brands Limited without payment being received in cash, of which the Company has redeemed 1,000,000, 0% redeemable Preference shares during previous year.





**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**Note 4 : Reserves and Surplus**

**Capital Redemption Reserve**

Balance as at the beginning of the year  
Add : Transferred from Surplus in Statement of Profit and Loss during the year  
Balance as at the end of the year

As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)
10.00	-
-	10.00
10.00	10.00

**Securities Premium Account**

Balance as at the beginning of the year  
Add : Additions during the year  
Less : Utilisation on Redemption of Preference Shares  
Balance as at the end of the year

2,539.63	3,529.63
-	-
-	990.00
2,539.63	2,539.63

**Hedging Reserve Account (Also refer note below)**

Balance as at the beginning of the year  
Add : Amount recognised in Hedging Reserve during the year (net)  
Less: Gain transferred to Statement of Profit and Loss

339.33	1,205.86
525.71	595.67
297.81	1,462.20

Balance as at the end of the year

567.23	339.33
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**Surplus/ (Deficit) in the Statement of Profit and Loss**

Balance as at the beginning of the year  
Less : Adjustment for written down value of fixed assets fully depreciated as at April 1, 2014  
on revision of useful lives (net of Tax) (Refer Note 33)  
Add : Profit for the year

(902.53)	(1,383.78)
-	(1.05)
693.63	492.42

**Less: Appropriations:**

Less : Transfer to Capital Redemption Reserve  
Dividend on Preference Shares (Including Dividend Distribution Tax)

-	10.00
-	0.12

Balance as at the end of the year

(208.90)	(902.53)
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**Total**

2,907.96	1,986.43
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**Note**

**Derivative Instruments outstanding as at March 31, 2016 :**

The Company is exposed to foreign currency fluctuations on foreign currency assets / liabilities, forecasted receivable, payables denominated in foreign currency. In line with the Company's risk management policies and procedures, the Company enters into foreign currency forward contracts and currency option contracts to manage its exposure. These contracts are for a period of maximum twelve months and forecasted transactions are expected to occur during the same period.

(a) The following are outstanding foreign currency forward contracts:

Designated Cash Flow Hedges	Currency Pair	March 31, 2016			March 31, 2015		
		Notional Amount		Fair Value	Notional Amount		Fair Value
		Foreign Currency (in million)	Rs. million		Foreign Currency (in million)	Rs. Million	
Forward Contracts (Sell)	USD-INR	402.11	28,061.85	567.23	358.11	23,383.19	339.33

(b) Marked to market gain on derivative instruments of Rs. 567.23 million (March 31, 2015: Rs. 339.33 million) recognised in Hedging Reserve as on March 31, 2016, is expected to be recycled to the Statement of Profit and Loss by March 31, 2017.

(c) As at the Balance Sheet date, the foreign currency exposure not hedged by a derivative instrument or otherwise aggregates Rs. 2,582.48 million (March 31, 2015: Rs. 2,007.40 million) for receivables and Rs. 74.83 million (March 31, 2015: Rs. 423.48 million) for payables.



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)
<b>Note 5 : Long-term Borrowings</b>		
<b>Unsecured :</b>		
Loan Form Hewlett Packard India Financial Services Private Limited	2.32	5.39
<b>Total</b>	<u>2.32</u>	<u>5.39</u>
Repayable in 59 monthly instalments commencing from October 2012. Last instalment due in August 2017. Rate of interest 11%.		
<b>Note 6 : Other Long Term Liabilities</b>		
Security Deposits	13.43	5.92
<b>Total</b>	<u>13.43</u>	<u>5.92</u>
<b>Note 7 : Long- term Provisions</b>		
Provision for Employee Benefits :		
- Provision for Compensated Absences (Refer Note 27)	21.53	16.29
Other Provisions		
- Provision for Contingencies (Refer Note 42)	21.37	20.00
<b>Total</b>	<u>42.90</u>	<u>36.29</u>
<b>Note 8 : Short-term Borrowings</b>		
<b>Secured</b>		
- Working Capital Loans repayable on demand from banks (Refer Note 8.1)	26.14	796.72
<b>Total</b>	<u>26.14</u>	<u>796.72</u>
Note 8.1 : The working capital loans, which include cash credit and packing credit from banks, are secured by hypothecation of traded goods, book debts and other current assets of the Company and charge on fixed assets of the Company.		
<b>Note 9 : Trade Payables</b>		
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note 9.1)	4,062.30	4,082.94
b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	4,062.30	4,082.94
<b>Total</b>	<u>4,062.30</u>	<u>4,082.94</u>
Note 9.1 : There are no Micro Enterprises and Small Enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2016. 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.		
<b>Note 10 : Other Current Liabilities</b>		
Current maturities of Long-term Debt (Refer Note 5)	3.07	2.72
Unearned Revenue	3.79	3.01
Advances from Customers	44.14	23.00
Statutory Dues (Including Provident Fund and Tax deducted at source)	39.35	24.86
Employee Benefits Payable	43.73	24.75
<b>Total</b>	<u>134.08</u>	<u>78.34</u>
<b>Note 11 : Short-term Provisions</b>		
Provision for Employee Benefits :		
- Provision for Compensated Absences (Refer Note 27)	1.18	0.69
- Provision for Contingencies (Refer Note 42)	6.47	9.22
- Dividend on Preference Shares and Tax thereon	0.16	0.16
<b>Total</b>	<u>7.81</u>	<u>10.07</u>



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**Note 12 : Tangible Assets**

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			Rs. million NET BLOCK As At March 31, 2016
	As At March 31, 2015	Additions during the year	Deletions during the year	As At March 31, 2016	For the Year	On Deletions during the Year	Accumulated upto March 31, 2016
<b>Own Assets</b>							
Leasehold Improvements	14.69	-	-	14.69	0.06	-	14.36
Electrical installations	0.55	-	-	0.55	0.06	-	0.23
Vehicles	0.05	-	-	0.05	0.01	-	0.05
Furniture and Fixtures	5.83	-	-	5.83	0.56	-	3.00
Office Equipment	3.48	1.16	0.77	3.87	1.01	0.73	1.86
Computers	9.19	4.04	2.93	10.30	1.84	2.80	5.15
<b>TOTAL</b>	<b>33.79</b>	<b>5.20</b>	<b>3.70</b>	<b>35.29</b>	<b>3.54</b>	<b>3.53</b>	<b>24.65</b>

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			Rs. million NET BLOCK As At March 31, 2015
	As At March 31, 2014	Additions during the year	Deletions during the year	As At March 31, 2015	For the Year	On Deletions during the Year	Accumulated upto March 31, 2015
<b>Own Assets</b>							
Leasehold Improvements	14.69	-	-	14.69	0.06	-	14.30
Electrical installations	0.55	-	-	0.55	0.06	-	0.17
Vehicles	0.05	-	-	0.05	0.01	-	0.04
Furniture and Fixtures	5.67	0.16	-	5.83	0.56	-	2.44
Office Equipment	3.36	0.56	0.44	3.48	1.25	0.41	1.58
Computers	9.11	1.84	1.76	9.19	3.06	1.64	6.11
<b>TOTAL</b>	<b>33.43</b>	<b>2.56</b>	<b>2.20</b>	<b>33.79</b>	<b>5.00</b>	<b>2.05</b>	<b>24.64</b>



Note 13 : Intangible Assets

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION			Rs. million	
	As At March 31, 2015	Additions during the year	Deletions during the year	As At March 31, 2016	Accumulated upto March 31, 2015	For the Year	On Deletions during the Year	Accumulated upto March 31, 2016	As At March 31, 2016
Own Assets									
Computer Software	41.21	4.35	-	45.56	29.72	4.29	-	34.01	11.55
TOTAL	41.21	4.35	-	45.56	29.72	4.29	-	34.01	11.55

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION				Rs. million	
	As At March 31, 2014	Additions during the year	Deletions during the year	As At March 31, 2015	Accumulated upto March 31, 2014	For the Year	On Deletions during the Year	Accumulated upto March 31, 2015	As At March 31, 2015
Own Assets									
Computer Software	40.62	0.59	-	41.21	24.88	4.84	-	29.72	11.49
TOTAL	40.62	0.59	-	41.21	24.88	4.84	-	29.72	11.49



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)
<b>Note 14 : Non-current Investments</b>		
<b>Trade Investments (Value at cost unless stated otherwise)</b>		
<b>(i) Unquoted Equity Instruments</b>		
Investment in a Wholly Owned Subsidiary		
370,862 (March 31, 2015 : 370,862) Equity Shares of US \$ 1 each, fully paid up of Welspun Mauritius Enterprises Limited	16.58	16.58
Less : Provision for diminution in value of Investment	<u>16.58</u>	<u>16.58</u>
	-	-
Investment in Other Subsidiaries		
1,500,000 (March 31, 2015 : 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, 2015 : 20,126) Equity Shares of GBP 1 each, fully paid up of Welspun Holding Private Limited (Cyprus)	1,173.67	1,173.67
Less : Provision for diminution in value of Investment	<u>763.15</u>	<u>763.15</u>
	<u>410.52</u>	<u>410.52</u>
<b>(ii) Others</b>		
Investment - Indiafirst SM	5.07	4.67
Investment - SBI Life Insurance	1.80	1.20
Investment - Canara Bank HSBC	0.90	0.60
<b>Total</b>	<u><u>700.26</u></u>	<u><u>698.96</u></u>
Aggregate amount of unquoted investments	700.26	698.96
Aggregate provision for diminution in value of investments	779.73	779.73
<b>Note 15 : Deferred Tax Assets (Net)</b>		
Deferred Tax Asset arising on account of timing differences in:		
- Provision for Employee Benefits	7.86	5.77
- Expenses inadmissible under section 40(a) of the Income Tax Act, 1961	15.01	4.56
- Depreciation	29.73	33.08
- Provision for doubtful debts and advances	6.26	2.52
<b>Total</b>	<u><u>58.86</u></u>	<u><u>45.93</u></u>
<b>Note 16 : Long-term Loans and Advances</b>		
Unsecured, considered good (unless otherwise stated):		
Loan to Related Party		
Considered Doubtful		
- Welspun Mauritius Enterprises Limited	222.07	209.48
Less : Provision for Doubtful Loan	<u>222.07</u>	<u>209.48</u>
	-	-
Security Deposit to Related Party		
- Welspun Realty Private Limited	176.40	189.22
Security Deposits to Others	3.05	1.10
Balances with Government Authorities	1.39	0.34
Advance Tax and Tax Deducted at Source (Net of Provision for taxation of Rs. 964.26 million; March 31, 2015 : Rs. 708.05 million)	138.15	130.17
Advances Recoverable in Cash or in Kind or for Value to be Received	<u>5.80</u>	<u>3.19</u>
	<u><u>324.79</u></u>	<u><u>324.02</u></u>
<b>Note 17 : Other Non-current assets</b>		
Fixed Deposits with Banks with maturity more than 12 months *	-	0.08
Minimum Alternative Tax Credit Entitlement	-	25.51
<b>Total</b>	<u><u>-</u></u>	<u><u>25.59</u></u>
* Held as lien by sales tax authorities		
<b>Note 18 : Inventories</b>		
Stock-in-trade (Goods in transit Rs.837.19 million; March 31, 2015 Rs.1,359.85 million)	1,041.83	1,386.04
	<u>1,041.83</u>	<u>1,386.04</u>
<b>Details of Stock-in-trade</b>		
Home Textile Products	1,023.65	1,373.68
Others	18.18	12.36
<b>Total</b>	<u><u>1,041.83</u></u>	<u><u>1,386.04</u></u>





**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)
<b>Note 19 : Trade Receivables</b>		
Unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
-Considered Good	65.33	140.29
-Considered Doubtful	5.50	7.40
	70.83	147.69
Less: Provision for doubtful debts	5.50	7.40
	65.33	140.29
Other Debts:		
Considered Good	3,319.62	2,298.00
Considered Doubtful	-	-
	3,319.62	2,298.00
Less: Provision for doubtful debts	-	-
	3,319.62	2,298.00
<b>Total</b>	<b>3,384.95</b>	<b>2,438.29</b>
<b>Note 20 : Cash and Bank Balances</b>		
Cash and Cash Equivalents		
Cash on Hand	0.18	0.29
Bank balances		
- In Current Accounts	169.51	53.95
- Fixed Deposits (less than 3 months maturity)	0.80	2.43
Other Bank Balances		
- Fixed Deposits with maturity period of more than 3 months but less than 12 months	0.49	0.41
(Includes Rs. 0.04 million (March 31, 2015: Rs. 0.04 million) under lien with sales tax authorities)		
<b>Total</b>	<b>170.98</b>	<b>57.08</b>
<b>Note 21 : Short-term loans and advances</b>		
Advances Recoverable in Cash or in Kind or for Value to be Received	80.59	88.46
<b>Others</b>		
Balances with Customs, Excise, Sales Tax and other Government Authorities	1,237.62	1,844.94
Security Deposits to Others	1.38	1.75
<b>Total</b>	<b>1,319.59</b>	<b>1,935.15</b>
<b>Note 22 : Other Current Assets</b>		
Unsecured, Considered Good		
Interest Accrued on Deposits	0.10	0.03
Mark-to-Market Gain (Net) on Forward Contracts	567.23	339.33
Minimum Alternative Tax Credit Entitlement	-	124.88
<b>Total</b>	<b>567.33</b>	<b>464.24</b>



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	Year Ended March 31, 2016 (Rs. million)	Year Ended March 31, 2015 (Rs. million)
<b>Note 23 : Revenue from Operations</b>		
Sale of Products - Traded Goods	47,429.90	41,354.92
<b>Other Operating Revenue</b>		
Export Benefits	3,677.29	2,814.84
<b>Total</b>	<u>51,107.19</u>	<u>44,169.76</u>
<b>Details of Sales (Traded Goods)</b>		
Home Textile Products	46,206.78	40,510.60
Others	1,223.12	844.32
<b>Total</b>	<u>47,429.90</u>	<u>41,354.92</u>
<b>Note 24 : Other Income</b>		
<b>Interest Income</b>		
On Fixed Deposits	0.49	0.19
On Others	16.64	-
Dividend - Trade Investments	-	3.77
Insurance Claim	-	0.35
Liabilities Written Back as no Longer Required	6.51	1.54
Provision for Doubtful Debts Written Back (Net)	1.90	7.48
Exchange Gain (Net)	-	22.36
Discount and Rebates Received	-	0.47
Miscellaneous Income	0.68	0.29
<b>Total</b>	<u>26.22</u>	<u>36.45</u>
<b>Note 25 : Purchases of Stock-in-trade</b>		
Purchases of Stock-in-trade	45,605.13	40,303.33
<b>Details of Purchase of Stock-in-trade</b>		
Home Textile Products	44,424.63	39,446.15
Others	1,180.50	857.18
<b>Total</b>	<u>45,605.13</u>	<u>40,303.33</u>
<b>Note 26 : Changes in inventories of Stock-in-trade</b>		
<b>(Increase)/ Decrease in Stocks</b>		
Stock at the end of the year	1,041.83	1,386.04
Less: Stock at the beginning of the year	1,386.04	1,246.99
	<u>344.21</u>	<u>(139.05)</u>



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	Year Ended March 31, 2016 (Rs. million)	Year Ended March 31, 2015 (Rs. million)
<b>Note 27 : Employee Benefits Expense</b>		
Salaries, Allowances and Other Benefits	391.62	285.72
Contribution to Provident and Other Funds	23.74	16.84
Managerial Remuneration	36.96	20.61
Staff and Labour Welfare	10.25	5.68
<b>Total</b>	<b>462.57</b>	<b>328.85</b>

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

**I Defined Contribution Plans**

	2015-2016	(Rs. million) 2014-2015
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:		
- Employers' Contribution to Provident Fund and Pension Scheme*	19.94	13.65
- Employers' Contribution to Employee's State Insurance *	1.75	1.47
- Employers' Contribution to Superannuation Scheme*	2.05	1.72
	<b>23.74</b>	<b>16.84</b>

\* Included in Contribution to Provident and Other Funds

**II Defined Benefit Plan**

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

The Company operates a gratuity plan through the "Welspun Global Brands Limited Employees Gratuity Trust". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

**a. Major Assumptions**

	2015-2016	2014-2015
	% p.a.	% p.a.
Discount Rate	8.04	7.99
Expected Rate of Return on Plan Assets	8.04	7.99
Salary Escalation Rate @	10% for 5 years and 8% thereafter	10% for 5 years and 8% thereafter

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

**b. Change in the Present Value of Obligation**

	2015-2016	(Rs. million) 2014-2015
Opening Present Value of Obligation	30.35	21.01
Current Service Cost	4.85	3.18
Interest Cost	2.43	1.97
Benefit/ Exgratia paid	(1.51)	(0.65)
Actuarial Loss/ (gain) on Obligations	0.63	4.84
Closing Present Value of Obligation	<b>36.75</b>	<b>30.35</b>

**c. Change in Fair Value of Plan Assets**

	2015-2016	(Rs. million) 2014-2015
Opening Fair Value of Plan Assets	30.53	20.90
Expected Return on Plan Assets	2.44	1.82
Actuarial gain / (Loss) on Plan Assets	0.21	(0.04)
Contributions	5.60	8.50
Benefits paid	(1.30)	(0.65)
Closing Fair Value of Plan Assets	<b>37.48</b>	<b>30.53</b>



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	(Rs. million)
	As at
d. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets	March 31, 2016
Present Value of Funded Obligation	36.75
Fair Value of Plan Assets	37.48
Funded Status	37.48
Amount not recognised as Assets	(0.73)
Liabilities recognised in the Balance Sheet	-

	2015-2016	2014-2015
e. Expenses Recognised in the Statement of Profit and Loss		
Current Service Cost	4.85	3.18
Interest Cost	2.43	1.97
Expected Return on Plan Assets	(2.44)	(1.82)
Net Actuarial Loss recognised in the year	0.42	4.88
Excess of Plan Assets over Obligation	0.73	0.18
Total expenses recognised in the Statement of Profit and Loss*	5.99	8.39

\* Included in Employee Benefits Expense above

	As at	As at
f. Major Category of Plan Asset as a % of total Plan Assets	March 31, 2016	March 31, 2015
Insurer managed funds	100.00	100.00

	As at	As at	As at	As at	As at
g. Amounts recognised in current year and previous years	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined Benefit obligation at the end of the year	36.75	30.35	21.01	17.34	16.51
Fair Value of Plan Assets	36.75	30.35	20.90	20.41	18.00
(Surplus)/ Deficit	-	-	0.11	(3.06)	(1.49)
Experience loss adjustments on plan liabilities	0.83	0.89	4.39	1.89	6.22
Experience loss adjustments on plan assets	0.21	(0.04)	(0.16)	(0.03)	(0.33)
Actuarial gain/(loss) due to change in assumptions	0.62	(4.03)	1.98	(0.84)	0.53

	As at	As at
h. Expected Contribution to the funds in the next year	March 31, 2016	March 31, 2015
Gratuity	5.56	4.67

**III Other Employee Benefit**

The liability for leave entitlement and compensated absences as at year end is Rs. 22.71 million (March 31, 2015: Rs. 16.98 million).



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

	Year Ended March 31, 2016 (Rs. million)	Year Ended March 31, 2015 (Rs. million)
<b>Note 28 : Finance Costs</b>		
Interest on Working Capital Loans	136.62	318.43
Interest to Others	1.95	1.27
Discounting and Bank Charges	242.08	182.28
<b>Total</b>	<b>380.65</b>	<b>501.98</b>
<b>Note 29 : Depreciation and Amortisation Expense</b>		
Depreciation on Tangible Assets	3.54	3.41
Amortisation on Intangible Assets	4.29	4.84
<b>Total</b>	<b>7.83</b>	<b>8.25</b>
<b>Note 30 : Other Expenses</b>		
Claims, Discounts and Rebates	332.02	165.35
Sales Commission	715.98	639.45
Freight, Forwarding and Coolie Charges	903.41	848.93
Advertising and Sales Promotion	591.98	345.73
Electricity Expenses	9.14	5.98
Repairs and Maintenance - Others	50.46	33.51
Directors' Sitting Fees	1.11	0.82
Rent	40.24	36.59
Warehouse Expenses	41.33	-
Rates and Taxes	14.23	10.78
Printing and Stationery	1.97	4.49
Travelling and Conveyance	117.42	102.30
Legal and Professional Charges	155.10	85.70
Insurance	28.82	17.39
Communication	8.24	5.75
Postage and Courier	34.98	28.47
Loss on Sale/ Discarding of Fixed Assets (Net)	0.17	0.14
Exchange Loss (Net)	32.16	-
Bad Debts/ Advances Written off	0.70	-
Product Testing Charges	60.67	43.22
Royalty	43.62	25.20
Donations	0.07	0.44
Corporate Social Responsibility Expenses (Refer Note 44)	16.56	6.63
Auditors' Remuneration		
- As Auditors	2.50	2.13
- In other capacity - As Tax Auditors	0.43	0.38
- Certification and Other Matters	0.63	0.63
- Out of Pocket Expenses	0.05	0.06
Miscellaneous	29.14	16.19
<b>Total</b>	<b>3,233.13</b>	<b>2,426.26</b>





**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**31 Contingent Liabilities:**

	(Rs. million)	
	As at March 31, 2016	As at March 31, 2015
[a] Disputed Sales Tax Liabilities	21.14	1.04
[b] Claims against the Company not acknowledged as debts	48.51	48.51

**32 Other Commitments**

Description	As at March 31, 2016 (Rs. million)	As at March 31, 2015 (Rs. million)
[a] Bills discounted in respect of export debtors	4,905.19	3,122.29
[b] Guarantees given by banks on behalf of the Company	28.70	28.40

**33** The Company has realigned the remaining useful lives of few assets in accordance with the useful lives prescribed under Schedule II to the Act. Consequently, in case of assets which has completed their useful lives (prescribed under Schedule II to the Act), the carrying value (net value) as at April 1, 2014 amounting to Rs.1.05 million (net of deferred tax Rs.0.54 million) had been adjusted to Retained Earnings and in case of other assets the carrying value (net of residual value) is being depreciated over the revised remaining useful lives.

**34 Investment**

The following table includes the classification of investments in accordance with AS 13-Accounting for Investments

	(Rs. million)	
	As at March 31, 2016	As at March 31, 2015
<b>Long Term Investments</b>		
Investment - Indiafirst	5.07	4.67
Investment - SBI Life Insurance	1.80	1.20
Investment - Canara Bank HSBC	0.90	0.60
370,862 (March 31, 2015 : 370,862) Equity Shares of US \$ 1 each, fully paid up of Welspun Mauritius Enterprises Limited	16.58	16.58
Less : Provision for diminution in value of Investment	16.58	16.58
	-	-
1,500,000 (March 31, 2015 : 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, 2015 : 20,126) Equity Shares of GBP 1 each, fully paid up of Welspun Holding Private Limited (Cyprus)	1,173.67	1,173.67
Less : Provision for diminution in value of Investment	763.15	763.15
	410.52	410.52
<b>Disclosed Under:</b>		
Non-Current Investments (Refer Note 14)	700.26	698.96
<b>Total</b>	<b>700.26</b>	<b>698.96</b>

**35** Exceptional items of Rs.12.59 million (Previous Year: Rs. 10.76 million) pertains to provision for doubtful loans and advances receivable from Welspun Mauritius Enterprises Limited, a wholly owned subsidiary.



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**36 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.40.24 million (Previous Year: Rs 36.59 million).

**37 Segment Information for the year ended March 31, 2016**

(a) Information about Primary Business Segment

The Company is exclusively engaged in the business of Home Textiles which, in the context of Accounting Standard 17 on Segment Reporting is considered to constitute a single primary segment. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year are all as reflected in the financial statements for the year ended March 31, 2016 and as on that date.

(b) Information about Secondary Geographical Segments:

Sr. No.	Particulars	Geographical segments		(Rs. million)
		Outside India	Within India	Total
<b>1.</b>	<b>Segment Revenue</b>			
	Sales and income from operations	46,106.76 (40,447.48)	1,323.14 (907.44)	<b>47,429.90</b> <b>(41,354.92)</b>
<b>2.</b>	<b>Carrying amount of assets by geographical location of assets</b>			
	Segment assets	3,735.68 (2,828.64)	3,855.10 (4,567.30)	<b>7,590.78</b> <b>(7,395.94)</b>
<b>3.</b>	<b>Additions to fixed assets</b>	- (-)	9.55 (3.15)	<b>9.55</b> <b>(3.15)</b>

Figures in brackets relate to previous year.

**38 Earnings in Foreign Currency**

		(Rs. million)	
		Year Ended March 31, 2016	Year Ended March 31, 2015
(a)	Revenue from Exports on FOB basis	43,353.28	35,925.97
	<b>Total</b>	<b>43,353.28</b>	<b>35,925.97</b>



**WELSPUN GLOBAL BRANDS LIMITED**  
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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**39 Expenditure in Foreign Currency**

(Rs. million)

		<b>Year Ended March 31, 2016</b>	<b>Year Ended March 31, 2015</b>
(a)	Travelling	47.38	40.84
(b)	Sales Commission	621.31	570.26
(c)	Professional Charges	96.66	22.64
(d)	Claims, Discounts and Rebates	326.52	165.35
(e)	Advertisement and Sales Promotion	382.53	183.56
(f)	Royalty	43.62	25.20
(g)	Product Testing Expenses	22.23	12.30
(h)	Membership and Subscription	0.76	-
(i)	Others	7.95	4.77
	<b>Total</b>	<b>1,548.96</b>	<b>1,024.92</b>



**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**40 Related Party Disclosures**

(i) Relationships

	Control	
(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) (Formerly known as Christy Europe GmbH Germany (CEG)) ER Kingsley (Textiles) Limited (ERK) (Held through CHTL) Christy UK Limited (CUKL) (Held through CHTL) Christy 2004 Limited (Held through WUKL) Welspun Decorative Hospitality LLC USA (WDHL) (Held through WUSA) (upto June 08, 2015)
(c)	Enterprises over which Key Management Personnel or relatives of such personnel exercise significant influence or control and with whom transactions have taken place during the period	Welspun Trading Limited (WTL) Remi Metals Gujarat Limited (RMGL) Welspun Corp Limited (WCL) Welspun Energy Limited (WEL) Welspun Foundation for Health and Knowledge (WFHK) Welspun Logistics Limited (WLL) Welspun Maxsteel Limited (WMSL) Welspun Enterprises Limited (WENL) Welspun Projects Limited (WPL) Welspun Realty Private Limited (WRPL) Welspun Steel Limited (WPSL) AYM Syntex Limited (AYMSL) (Formerly known as Welspun Syntex Limited) (WSL) Welspun Fintrade Limited (WFL) Welspun Orrisa Steel Private Limited (WOSPL) Mertz Estates Limited (MEL) (Formerly known as Mertz Securities Limited) (MSL) Welspun Energy UP Private Limited (WEUPL)
(d)	Key Management Personnel	Dipali Goenka (DBG)





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

PARTICULARS	WIL	WMEL	WHPL	WUKL	CHRISTY LLP	WUSA	WTL	RMGL	WCL	WEL	WFKH	WLL	WMSL	WPL	WENL	WRPL	WPPL	AYM	WFL	WOSPL	MEL	WEUPL	D&G	Rs. million TOTAL
Transactions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans, Advances and Deposits given	-	(2.15)	-	-	-	-	-	-	-	-	-	-	-	-	-	(180.00)	-	-	-	-	-	-	-	(182.15)
Repayment of Loans, Advances and Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12.82	-	-	-	-	-	-	-	12.82
Purchase of Goods/ DEPB Licenses (Including Taxes)	48,388.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,388.25
Jobwork Expenses	(42,478.51)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.04)	-	-	-	-	(42,478.55)
Purchase of Services/ Expenses Incurred	0.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.14
Sale of Goods (Including Taxes)	6.60	-	-	22.29	-	4.81	-	-	1.09	-	-	-	-	-	-	28.44	-	-	0.05	-	3.79	-	-	67.07
Sale of Services/ Expenses Incurred	(14.21)	-	-	(4.40)	-	(1.91)	-	-	(0.93)	-	-	(6.74)	-	-	-	(28.05)	-	-	-	-	(1.95)	-	-	(58.19)
Sale of Licenses (MEIS)	(1.87)	-	-	433.12	8.15	9,816.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,257.57
Royalty (Gross)	124.68	-	-	(475.29)	(29.89)	(8,221.83)	(0.07)	(0.04)	(5.36)	(1.97)	(2.72)	-	(5.08)	(0.83)	5.39	-	(1.36)	(1.20)	-	(0.05)	-	(0.04)	-	(8,747.02)
Reimbursement of Claims	(8.70)	-	-	(0.13)	-	(0.04)	-	-	8.18	-	6.48	-	-	-	-	-	-	1.15	-	-	-	2.03	-	147.91
Claims, Discounts and Rebates given	39.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.87)
Commission	-	-	-	0.46	-	37.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.90
Managerial Remuneration	-	-	-	-	-	(18.81)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of Preference Shares/ Securities Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38.26
Corporate Social Responsibility Expenses	115.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18.61)
Provision for diminution in value of Loan	(139.45)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115.82
Closing Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans, Advances and Deposits given (including interest accrued on loan)	-	222.07	-	-	-	-	-	-	0.94	-	-	-	-	-	1.15	178.40	-	0.26	-	-	-	-	-	400.82
Provision for doubtful loans/ advances	-	(209.48)	-	-	-	-	-	-	-	-	-	-	-	-	-	(189.22)	-	-	-	-	-	-	-	(398.70)
Trade Receivables (Net of Bills Discounted with Banks)	-	-	-	313.81	0.47	176.17	-	-	-	-	-	-	-	-	0.58	-	-	-	-	-	-	0.05	-	222.07
Trade Payables and others	3,550.73	-	-	(488.31)	(22.61)	(133.76)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(209.48)
Investments	(3,647.06)	-	-	1.05	5.74	2.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	491.08
Provision for diminution in value in investment	-	16.58	1,173.67	(4.40)	(3.88)	281.97	-	(0.03)	(0.09)	-	(0.20)	-	(0.02)	-	-	-	-	-	-	-	-	-	-	(654.70)
	-	(18.58)	(1,173.87)	-	-	(281.97)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22.75
	-	16.58	763.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,871.49)
	-	(18.58)	(763.15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,472.22
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,472.22)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	779.73
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(779.73)

Note:  
Previous year figures are given in brackets.





**WELSPUN GLOBAL BRANDS LIMITED**  
(Formerly known as Welspun Retail Limited)

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

**41 Earnings per Share**

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Profit after Tax (A) (Rs. million)	693.63	492.42
Less: Dividend on Preference Shares (Including Dividend Distribution Tax)	0.12	0.12
Profit available for Equity Share holders	693.51	492.30
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.)	29.47	20.92
Nominal value of an equity share (Rs.)	10	10

**42 Provision for Contingencies**

Particulars	Indirect Taxes (Refer Note 11)	Litigation and Disputes (Refer Note 7)	(Rs. million) Total
Opening Balance	9.22 (11.80)	20.00 (18.63)	29.22 (30.43)
Provided during the year	- (-)	1.37 (1.37)	1.37 (1.37)
Utilised during the year	2.75 (2.58)	- (-)	2.75 (2.58)
Closing Balance	6.47 (9.22)	21.37 (20.00)	27.84 (29.22)

Figures in brackets relate to previous year.

- (a) Provision for Indirect Taxes is made towards likely demands that may arise on completion of assessments.
- (b) Provision for litigation and disputes is made towards legal notices received for non-payment of rent in case of stores taken on lease.

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

Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
Employee Benefit Expenses	5.07	1.64
Others	11.85	2.31
<b>Total</b>	<b>16.92</b>	<b>3.95</b>

**44 Corporate Social Responsibility Expenditure**

Gross amount required to be spent by the Company during the year is Rs. 16.56 million (March 31, 2015: Rs. 6.63 million) which has been contributed to Welspun Foundation for Health and Knowledge.



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

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

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Signatures to Notes to financial statements

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No.: 012754N/ N500016



**Mehul Desai**

Partner

Membership No. 103211

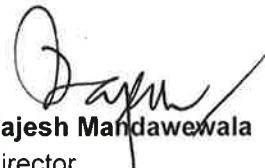
**For and on behalf of the Board of Directors**



**Dipali Goenka**

Managing Director

DIN 00007199



**Rajesh Mandawewala**

Director

DIN 00007179



**Nidhi Tanna**

Company Secretary



**Mukesh Khandelwal**

Chief Financials Officer

Place: Mumbai

Date: April 25, 2016

Place: Mumbai

Date: April 25, 2016