

Welspun Mauritius Enterprises Limited

Financial Statements

For the year ended 31 March 2015

Welspun Mauritius Enterprises Limited

Financial Statements

For the year ended 31 March 2015

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Corporate data

Date of
appointment

Directors	Naushad Ally Sohoboo	10 May 2010
	Devendra Krishna Patil	10 May 2010
	Neeraj Nawaz	04-Sep-13
	Dinesh Kumar Jain	19-Aug-13

**Administrator and
Secretary**

(effective from 19 June 2014)

CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port Louis
MAURITIUS

(Up to 18 June 2014)

Multiconsult Limited
Les Cascades Building
Edith Cavell Street
Port-Louis
MAURITIUS

Registered office

(effective from 19 June 2014)

C/o CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port Louis
MAURITIUS

(Up to 18 June 2014)

Multiconsult Limited
Les Cascades Building
Edith Cavell Street
Port-Louis
MAURITIUS

Bankers

Bank of Baroda
P.B No.553
No.32 Sir William Newton Street
Port Louis
Mauritius

Auditors

Aejaz Nazir Associates & Co
Chartered Accountants
18, Dr Auguste Rouget Street
Port Louis
Mauritius

Commentary of the directors

The directors are pleased to present their commentary together with the audited financial statements of Welspun Mauritius Enterprises Limited (the 'Company') for the year ended 31 March 2015.

Principal activity

The principal activity of the Company is that of investment holdings.

Results and dividend

The results for the year are shown on page 6.

The directors do not recommend the payment of dividend for the year under review (2014-Nil).

Statement of Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cashflows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (IFRS) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

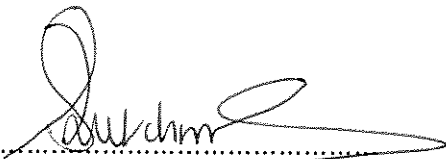
Auditors

The Auditors, Aejaz Nazir Associates & Co, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting of the shareholder.

Secretary's certificate

For the year ended 31 March 2015

We certify that to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of Wepsun Mauritius Enterprises Limited (the 'Company') under the Mauritius Companies Act 2001 for the year 31 March 2015.



CIM CORPORATE SERVICES LTD
Corporate Secretary

Date: 22 April 2015

CIM CORPORATE SERVICES LTD

33, Edith Cavell Street, Port Louis, Mauritius

Tel: +230 212 9800 Fax: +230 212 9833 Email: info@cimglobalbusiness.com

BRN C09004928

www.cimglobalbusiness.com

AUDITORS' REPORT TO THE MEMBERS OF WELSPUN MAURITIUS ENTERPRISES LIMITED

This report is made solely to the shareholder of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Welspun Mauritius Enterprises Limited (the "Company") from pages 6 to 17, which comprise the Statement of Financial Position as at 31 March 2015 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements on pages 6 to 17 give a true and fair view of the financial position of the Company as at 31 March 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as modified by the exemption from consolidation in the Mauritian Companies Act 2001 for companies holding a Category 1 Global Business Licence and comply with the Mauritian Companies Act 2001.

AUDITORS' REPORT TO THE MEMBERS OF WELSPUN MAURITIUS ENTERPRISES LIMITED

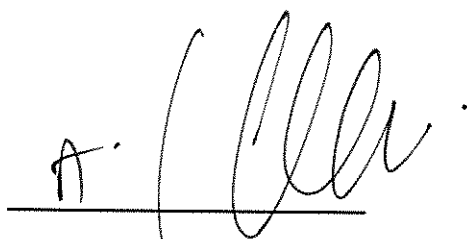
Report on other legal and regulatory requirements

Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings with the Company in the ordinary course of business.

We have obtained all the information and explanations our have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

A handwritten signature in black ink, appearing to read 'A. Nazir', is written over a horizontal line. The signature is cursive and includes a large flourish.

AEJAZ NAZIR ASSOCIATES & CO
Chartered Certified Accountants
18 Dr Auguste Rouget Street,
Port-Louis, Mauritius.

Represented by Aejaz Nazir (FCCA, MIPA) (Licensed by FRC)
Partner.

Date: 22 April 2015

Statement of comprehensive income
For the year ended 31 March 2015

	Note	2015 USD	2014 USD
Income			
Interest income		<u>6</u>	<u>3</u>
Expenses			
Professional fees		4,300	4,300
Licence fees		2,260	2,260
Accounting fees		1,500	1,500
Tax filing fees		1,000	1,000
Audit fees		1,265	1,265
Bank charges		425	678
Disbursements		600	500
		<u>11,350</u>	<u>11,503</u>
Operating loss for the year		(11,344)	(11,500)
Reversal of loan payable waived off- Novelty Home	11(ii)	-	728,085
Loss before taxation		<u>(11,344)</u>	<u>716,585</u>
Taxation	4	-	-
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total comprehensive (Loss)/ income for the year		<u><u>(11,344)</u></u>	<u><u>716,585</u></u>

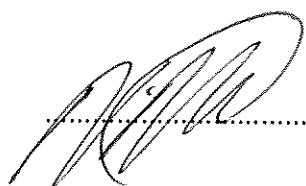
The notes on pages 10 to 17 are an integral part of these financial statements.

Statement of financial position

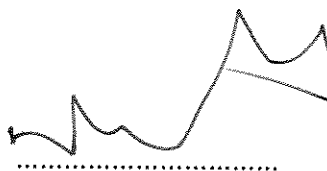
As at 31 March 2014

	Note	2015 USD	2014 USD
ASSETS			
Non current asset			
Investment in subsidiary	5	<u>1,035,729</u>	<u>1,035,729</u>
Current assets			
Other receivables	6	7,895	1,145
Loan receivable	11(ii)	85,000	85,000
Cash and cash equivalents		<u>18,555</u>	<u>1,649</u>
		<u>111,450</u>	<u>87,794</u>
Total assets		<u><u>1,147,179</u></u>	<u><u>1,123,523</u></u>
EQUITY AND LIABILITIES			
Equity			
Stated capital	7	370,862	370,862
Retained earnings		<u>687,552</u>	<u>698,896</u>
Total equity		<u><u>1,058,414</u></u>	<u><u>1,069,758</u></u>
Current liabilities			
Borrowings	8	85,000	50,000
Other payables	9	<u>3,765</u>	<u>3,765</u>
		<u>88,765</u>	<u>53,765</u>
Total equity and liabilities		<u><u>1,147,179</u></u>	<u><u>1,123,523</u></u>

Approved by the Board of Directors on 22 April 2015 and signed on its behalf by:



Director



Director

The notes on pages 10 to 17 are an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 March 2015

	Stated capital USD	Retained earnings USD	Total USD
As at 1 April 2013	370,862	(17,689)	353,173
Total comprehensive income for the year	-	716,585	716,585
At 31 March 2014	<u>370,862</u>	<u>698,896</u>	<u>1,069,758</u>
Total comprehensive income for the year 2014	-	(11,344)	(11,344)
At 31 March 2015	<u>370,862</u>	<u>687,552</u>	<u>1,058,414</u>

The notes on pages 10 to 17 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 March 2015

	2015 USD	2014 USD
Cash flows from operating activities		
(Loss)/Profit for the year	(11,344)	716,585
<i>Adjustments for:</i>		
Interest income	(6)	(3)
Loan receivable waived off reverse	-	(728,085)
Change in other receivables	(6,750)	-
Net cash used in operating activities	<u>(18,100)</u>	<u>(11,503)</u>
Cash flows from investing activities		
Interest received	6	3
Net cash from investing activities	<u>6</u>	<u>3</u>
Cash flows from financing activities		
Loan received from shareholder	35,000	50,000
Loan granted to subsidiary	-	(85,000)
Net cash from/(used in) financing activities	<u>35,000</u>	<u>(35,000)</u>
Net movement in cash and cash equivalents	16,906	(46,500)
Cash and cash equivalents at 1 April 2014	1,649	48,149
Cash and cash equivalents at 31 March 2015	<u><u>18,555</u></u>	<u><u>1,649</u></u>

The notes on pages 10 to 17 are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2015

1. Reporting entity

Welspun Mauritius Enterprises Limited (the "Company") is a Company domiciled in the Republic of Mauritius. The address of the Company's registered office is C/o CIM CORPORATE SERVICES LTD, Les Cascades Building, Edith Cavell Street, Port-Louis, Mauritius. The Company primarily is involved in the holding of investments.

The Company is a holder of a Category 1 Global Business Licence under the Mauritius Companies Act 2001 and the Financial Services Act 2007.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The financial statements of the Company are expressed in the United States Dollars ("USD"). The Company's functional currency is USD, the currency of the primary economic environment in which the Company operates.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future period affected.

3. Significant accounting policies

The accounting policies set out below have been applied by the Company.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Financial instruments

(i) Non-derivative financial assets

Financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to the cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: other receivables and cash and cash equivalents.

Notes to the financial statements (continued)

For the year ended 31 March 2015

3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

(iii) Stated capital

Ordinary shares

Ordinary shares are classified as equity.

(c) Impairment

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliability.

Objective evidence that the financial assets (including equity securities) are impaired can include indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

(d) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of the potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

Investment in subsidiary is shown at cost. Any impairment in the value of investment is recognised by reducing the cost of the investment to its recoverable amount and charging the difference to the income statement. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

(e) Other receivables

Other receivables are stated at cost less impairment.

(f) Cash and cash equivalents

Cash comprise of cash balances. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are to an insignificant risk of change in value. Bank overdraft that is payable on demand and forms an integral part of the Company's cash management is included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Other payables

Trade and other payables are stated at cost.

Notes to the financial statements (continued)
For the year ended 31 March 2015

3. Significant accounting policies (continued)

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(i) Related party transactions

Related parties are individuals and companies where the individual or Company has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(j) Changes in accounting policies and disclosures

1) Standards, Amendments to published Standards and Interpretations effective in the reporting period

Disclosures – Transfers of Financial Assets (Amendments to IFRS 7). These amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are not expected to have any impact on the Company's financial statements.

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS1). These amendments replace references to a fixed transition date with 'the date of transition to IFRSs' and set out the requirements for how an entity resumes presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are not expected to have any impact on the Company's financial statements.

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12), introduces a presumption that investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are recovered entirely through sale for the purposes of measuring deferred taxes. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. This amendment is unlikely to have an impact on the Company's financial statements.

2) Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2013 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

IFRS 9 Financial Instruments

IAS 27 Separate Financial Statements

IAS 28 Investments in Associates and Joint Ventures

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

Notes to the financial statements (continued)

For the year ended 31 March 2015

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Changes in accounting policies and disclosures (continued)

At the reporting date of these financial statements, the following were in issue but not yet effective: (continued)

IFRS 13 Fair Value Measurement

IAS 19 Employee Benefits (Revised 2011)

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amendment to IFRS 1 (Government Loans)

Annual Improvements to IFRSs 2009-2011 Cycle

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when 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.

(l) Revenue recognition

Revenue earned by the Company are recognised on the following bases:

Interest income is accounted for on a time proportion basis.

Dividend income - when the shareholders' rights to receive payments are established.

(m) Expenses

Expenses are accounted for on an accrual basis.

(n) Deferred tax

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

4. Taxation

The Company is subject to income tax in Mauritius at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of the foreign tax paid and 80% of the Mauritian tax on its foreign source income.

The directors have in accordance with the Company's accounting policy not recognised a deferred tax asset amounting to USD 341 as at 31 March 2015 (2014: USD 345).

Notes to the financial statements (continued)
For the year ended 31 March 2015

4. *Taxation (continued)*

	2015 USD	2014 USD
<i>Reconciliation of effective tax</i>		
(Loss)/ Profit before taxation for the year	(11,344)	716,585
Less deductible items	-	(728,085)
Less Exempt Income	(6)	(3)
	<u>(11,350)</u>	<u>(11,503)</u>
Tax calculated at an effective rate of 15%	(1,703)	(1,725)
Deferred tax asset not recognised	341	345
Foreign tax credit	1,362	1,380
Tax charge	<u>-</u>	<u>-</u>

At the end of the reporting period, the Company had accumulated tax losses amounting to USD 55,453 (2014: USD 44,109). The directors have in accordance with the Company's accounting policy not recognised any deferred tax asset on the accumulated tax losses.

The amount and expiry date of unused tax losses for which no deferred tax asset is recognised at the end of reporting period are as follows:

<i>Expiry dates</i>	USD
31 March 2016	6,351
31 March 2017	14,969
31 March 2018	11,286
31 March 2019	11,503
31 March 2020	11,344
	<u>55,453</u>

5. *Investments in subsidiary*

	2015 USD	2014 USD
At 01 April	1,035,729	307,644
Reclassified as investment	-	728,085
At 31 March	<u>1,035,729</u>	<u>1,035,729</u>

5.1 Details of the investments held in the subsidiaries are as follows:

<i>Name of companies</i>	<i>Country of incorporation</i>	<i>Type of shares</i>	<i>% held</i>	<i>Number of shares held</i>	2015 USD	2014 USD
		Series A		49,999	4,192	4,192
Novelty Homes Textiles, S.A De C.V	Mexico	Series B	99.99%	3,619,248	303,452	303,452
		Series C		9,000,000	728,085	728,085
					<u>1,035,729</u>	<u>1,035,729</u>

Notes to the financial statements (continued)

For the year ended 31 March 2015

6. Other receivables	2015	2014
	USD	USD
Prepayments	<u>7,895</u>	<u>1,145</u>
7. Stated capital	2015	2014
	USD	USD
370,862 ordinary shares of USD 1 each	<u>370,862</u>	<u>370,862</u>
8. Borrowings	2015	2014
	USD	USD
Loan payable	<u>85,000</u>	<u>50,000</u>
9. Other payables	2015	2014
	USD	USD
Accrued expenses	<u>3,765</u>	<u>3,765</u>
10. Financial instruments and capital management		

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions only with its related parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Company conduct their investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

Notes to the financial statements (continued)
For the year ended 31 March 2015

10. Financial instruments and capital management

Operational risk

Operational risk is the risk of direct and indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. The management of operational risk are in the following areas:

- requirements for appropriate segregation of duties, including independent authorisation of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- training and professional development;
- ethical and business standards.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to monitor and adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder or issue new shares. In the event that the Company requires additional capital, the immediate parent will provide the appropriate financial support to the Company.

Fair value

The fair values for both financial and non-financial assets and liabilities together with the carrying amounts shown in the statement of financial position are as follows:

31 March 2015	Carrying amount 2015 USD	Fair value 2015 USD	Carrying amount 2014 USD	Fair value 2014 USD
Assets				
Loan receivables	85,000	85,000	85,000	85,000
Cash and cash equivalents	18,555	18,555	1,649	1,649
	<u>103,555</u>	<u>103,555</u>	<u>86,649</u>	<u>86,649</u>
Liabilities				
Borrowings	85,000	85,000	50,000	50,000
Other payables	3,765	3,765	3,765	3,765
	<u>88,765</u>	<u>88,765</u>	<u>53,765</u>	<u>53,765</u>

Notes to the financial statements (continued)
For the year ended 31 March 2015

10. Financial instruments and capital management (continued)

The currency profile of the Company's financial assets and liabilities are summarised as follows:

	Financial assets 2015 USD	Financial liabilities 2015 USD	Financial assets 2014 USD	Financial liabilities 2014 USD
GBP	-	-	-	-
United States Dollar	103,555	88,765	86,649	53,765
	<u>103,555</u>	<u>88,765</u>	<u>86,649</u>	<u>53,765</u>

11. Related party transactions

The following are related party transactions and balances at year end. All transactions and balances at year end. All transactions are carried out on an arm's length basis.

(i) Welspun Global brands Limited - Shareholder

	USD 2015 USD	USD 2014 USD
At 01 April	50,000	-
Loan from shareholder during the year	35,000	50,000
At 31 March	<u>85,000</u>	<u>50,000</u>

Notes to the financial statements (continued)
For the year ended 31 March 2015

11. Related party transactions (Continued)

(ii) Loan to Novelty Homes Textiles S.A De C.V	2015 USD	2014 USD
At 01 April	85,000	-
Loan to subsidiary	-	85,000
Reversal of Loan waived off	-	728,085
Reclassified as investment	-	(728,085)
At 31 March	85,000	85,000

12. Holding Company

The directors consider Welspun Global brands Limited (prior known as Welspun Retail Limited), a company incorporated under the laws of India as the Company's holding company.

13. Consolidated Financial Statements

No consolidated accounts have been prepared as the directors of the Company have taken advantage of the exemption under the Mauritian Company's Act 2001, which exempts a company holding a Global Business Licence from preparing consolidated financial statements when it is a wholly owned or virtually wholly owned subsidiary of a Company incorporated outside Mauritius.

14. Events after reporting date

No major transaction has taken place after the year end date of 31 March 2015 till date of approval of the audited financial statements.