

WELSPUN MAURITIUS ENTERPRISES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2023

WELSPUN MAURITIUS ENTERPRISES LIMITED

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WELSPUN MAURITIUS ENTERPRISES LIMITED**COMPANY INFORMATION**

		Appointed on	Resigned on
DIRECTORS:	Mr. Naushad Ally Sohoboo	10 May 2010	31 December 2021
	Mr. Devendra Krishna Patil	10 May 2010	-
	Mr. Dinesh Kumar Jain	19 August 2013	30 April 2020
	Mrs. Vandana Jhupsee-Ramooah	29 January 2021	-
	Mr. Sharmanand Jhurreea	31 December 2021	-
SECRETARY & ADMINISTRATOR:	IQ EQ Corporate Services (Mauritius) Ltd 33, Edith Cavell Street Port-Louis, 11324 Mauritius		
REGISTERED OFFICE:	C/o IQ EQ Corporate Services (Mauritius) Ltd 33, Edith Cavell Street Port-Louis, 11324 Mauritius		
AUDITORS:	AEJAZ NAZIR ASSOCIATES & CO Chartered Certified Accountants 18, Dr Auguste Rouget Street Port Louis Mauritius		
BANKERS:	Bank of Baroda P.B No.553 No.32 Sir William Newton Street Port Louis Mauritius		

WELSPUN MAURITIUS ENTERPRISES LIMITED**COMMENTARY OF THE DIRECTORS**

The Directors are pleased to present their annual report and the audited financial statements of Welspun Mauritius Enterprises Limited (the “Company”) for the year ended 31 March 2023.

INCORPORATION

The Company was incorporated in the Republic of Mauritius on 10 May 2010 under the Companies Act 2001 as a private company limited by shares.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDEND

The Company’s results for the year ended 31 March 2023 are as shown in the statement of profit or loss and other comprehensive income and related notes.

The directors do not recommend a dividend for the year under review. (2022: NIL)

DIRECTORS

The present membership of the Board is set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company’s directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 31 March 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

The directors’ responsibility includes: designing, implementing internal control relevant to the preparation and fair presentation of these 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

The directors have made an assessment of the company’s ability to continue as a going concern and have no reason to believe the business will not be going concern in the period ahead

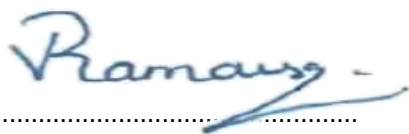
AUDITORS

The Auditors, AEJAZ NAZIR ASSOCIATES & CO, have indicated their willingness to continue in office.

**SECRETARY'S CERTIFICATE
UNDER SECTION 166(D) OF THE MAURITIUS COMPANIES ACT 2001**

4.

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies for the year 31 March 2023, all such returns as are required Welspun Mauritius Enterprises Limited under the Mauritian Companies Act 2001.



.....

**for IQ EQ Corporate Services (Mauritius) Ltd
Secretary**

Date: 21 April 2023

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WELSPUN MAURITIUS ENTERPRISES LIMITED

Opinion

We have audited the financial statements Welspun Mauritius Enterprises Limited (the "Company"), set out on pages 8 to 25, which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Mauritius. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Mauritius. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and the Statement of Profit or Loss and Other Comprehensive Income as required by the Mauritius Companies Act 2001 of Mauritius, which we obtained prior to the date of this report. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WELSPUN MAURITIUS ENTERPRISES LIMITED

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF WELSPUN MAURITIUS ENTERPRISES LIMITED**

Auditor's responsibilities for the audit of the Financial Statements (Continued)

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

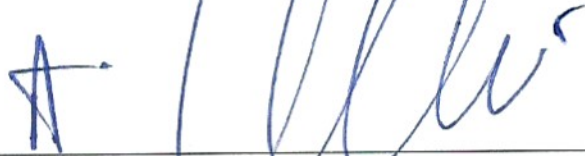
Report on other legal and regulatory requirements

Mauritius Companies Act 2001

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of report

This report is made solely for the Company's shareholder, 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 auditors' 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.



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: 21.04.2023

WELSPUN MAURITIUS ENTERPRISES LIMITED**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2023**

	<u>Notes</u>	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
ASSETS			
Non-current asset			
Investment in subsidiary	5	<u>1,035,729</u>	<u>1,035,729</u>
Current assets			
Other receivables	6	206	206
Loan receivable	11	1	1
Cash and cash equivalents		<u>4,389</u>	<u>2,286</u>
		<u>4,596</u>	<u>2,493</u>
Total assets		<u>1,040,325</u>	<u>1,038,222</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	7	370,862	370,862
Retained earnings		<u>659,939</u>	<u>657,836</u>
		<u>1,030,801</u>	<u>1,028,698</u>
Current liabilities			
Other payables	8	<u>9,524</u>	<u>9,524</u>
		<u>9,524</u>	<u>9,524</u>
Total equity and liabilities		<u>1,040,325</u>	<u>1,038,222</u>

Approved by the Board of Directors on 21 April 2023 and signed on its behalf by

Director

Director

The notes on pages 12 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 5 to 7.

WELSPUN MAURITIUS ENTERPRISES LIMITED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	<u>Notes</u>	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
INCOME			
Interest income		36	2
Other income		14,960	-
Total income		<u>14,996</u>	<u>2</u>
EXPENSES			
Professional fees		5,300	5,458
License fees		2,425	2,608
Accounting fees		1,800	1,800
Tax filing fees		1,000	1,000
Audit fees		1,439	1,438
Bank charges		330	435
Disbursements		600	600
		<u>12,894</u>	<u>13,339</u>
Profit/(loss) before taxation		2,103	(13,337)
Taxation	9	-	-
Profit/ (loss) for the year		<u>2,103</u>	<u>(13,337)</u>
Other comprehensive income			-
Total comprehensive profit /(loss) for the year		<u>2,103</u>	<u>(13,337)</u>

The notes on pages 12 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 5 to 7.

WELSPUN MAURITIUS ENTERPRISES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Stated capital	Retained earnings	Total
	USD	USD	USD
At 01 April 2021	370,862	671,173	1,042,035
Total comprehensive loss for the year	-	(13,337)	(13,337)
At 31 March 2022	<u>370,862</u>	<u>657,836</u>	<u>1,028,698</u>
At 01 April 2022	370,862	657,836	1,028,698
Total comprehensive profit for the year	-	2,103	2,103
At 31 March 2023	<u>370,862</u>	<u>659,939</u>	<u>1,030,801</u>

The notes on pages 12 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 5 to 7.

WELSPUN MAURITIUS ENTERPRISES LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	<u>2023</u>	<u>2022</u>
	USD	USD
Cash flow from operating activities		
Profit/(loss) before taxation	2,103	(13,337)
Adjustments for:		
(Decrease)/increase in other payables	-	641
<i>Net cash used in operating activities</i>	<u>2,103</u>	<u>(12,696)</u>
Net increase/(decrease) in cash and cash equivalents	2,103	(12,696)
Cash and cash equivalents at beginning of the year	<u>2,286</u>	<u>14,982</u>
Cash and cash equivalents at end of the year	<u>4,389</u>	<u>2,286</u>
Cash and cash equivalents consist of:		
Cash at bank	<u>4,389</u>	<u>2,286</u>

The notes on pages 12 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 5 to 7.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****1. GENERAL INFORMATION**

Welspun Mauritius Enterprises Limited (the "Company") was incorporated in Mauritius on 10 May 2010 as a private company limited by shares under section 24 of the Companies Act 2001.

The Company's registered office is C/o IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port-Louis, 11324, Mauritius. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007. The Company is licensed as an investment holding activities.

2. NEW STANDARDS AND INTERPRETATIONS**Application of new and revised International Financial Reporting Standards ("IFRSs")**

In the current year, the Company has applied all of the new and revised Standards Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB which are relevant to its operations and effective for accounting periods beginning on 1 April 2022.

2.1 New and revised IFRSs applied for the current year

The following relevant revised standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

IFRS 3	Definition of a Business (Amendments to IFRS 3)
IFRS 9/IAS 39/ IFRS 7	Interest Rate Benchmark Reform
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)
Various	The Conceptual Framework for Financial Reporting

Management has assessed the impact of these new and revised standards and interpretation and concluded that they have no major impact these financial statements.

2.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IFRS 16	Covid-19 - Related Rent Concessions (Amendments to IFRS 16)
IFRS 9/IAS 39/ IFRS 7/IFRS 4/IFRS 16	Interest Rate Benchmark Reform – Phase 2
IFRS 3	Reference to the Conceptual Framework (Amendments to IFRS 3)
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments to IAS 37)

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements, which have been applied consistently, are set out below.

(a) Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Mauritius Companies Act 2001.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in US Dollars, which is the Company's functional currency.

(b) Translation of foreign currencies**Foreign currency transactions**

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- 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; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES (Cont'd)****(c) Investment in subsidiaries**

Subsidiaries are 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 potential voting rights are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are de-consolidated from the date that control ceases. Investments in subsidiary are shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, the investment is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

On disposal of an investment in a subsidiary, the difference between the net disposal proceeds and carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

Consolidated financial statements

The company owns 99.99% of the share capital of Novelty Homes Textiles, S.A De C.V, a company incorporated in Mexico. 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.

(d) Impairment of assets

The Company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as revaluation decrease.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES (Cont'd)****(e) Financial instruments**

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.

Financial liabilities:

- Amortised cost;

Note 9 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES (Cont'd)****(e) Financial instruments (Cont'd)****Trade and other receivables****Classification**

Trade and other receivables, excluding, when applicable, prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES (Cont'd)****(e) Financial instruments (Cont'd)****Impairment**

Investments in equity instruments are not subject to impairment provisions.

Trade and other payables**Classification**

Trade and other payables (note 8), excluding amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

Derecognition**Financial assets**

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES (Cont'd)****(e) Financial instruments (Cont'd)****Financial liabilities**

The company derecognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Tax**Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or different period, to other comprehensive income, or
- a business combination

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited to equity if the tax relates to items that are credited or charged, in the same or different period, to equity.

(g) Stated capital

The Company ordinary shares are classified as equity.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES (Cont'd)****(h) Provisions and contingencies**

Provisions are recognised when:

- (i) the Company has a present obligation as a result of a past event;
- (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must also be met before revenue can be recognised.

Dividend income is recognised on the dates the securities are first quoted “ex-dividend” to extent that information thereon is reasonably available to the Company and when the shareholder’s right to receive payment is established.

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

(j) Expense recognition

Expenses are accounted for in the statement of comprehensive income on an accruals basis.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES (Cont'd)****(k) Borrowing costs**

Borrowing costs directly attributable to the acquisition, contribution or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All the borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(l) Dividends

Dividends are recorded in the Company's financial statements in the year in which they are approved by the Company's shareholder.

(m) Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

(n) Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there on are dependent on the functional currency selected. As described in Note 3(b), the directors have considered those factors described therein and have determined that the functional currency of the Company is the United States Dollars ("USD").

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****3. ACCOUNTING POLICIES (Cont'd)****(o) Significant judgements and sources of estimation uncertainty***Recoverability of trade receivables*

The Company reviews its trade receivables at each reporting date to assess whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income. In particular, management judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

4. INVESTMENT IN SUBSIDIARY

	<u>2023</u>	<u>2022</u>
	USD	USD
At start	<u>1,035,729</u>	<u>1,035,729</u>
At end	<u>1,035,729</u>	<u>1,035,729</u>

Details of investments

<u>Name of Company</u>	<u>Country of incorp</u>	<u>Type of shares</u>	<u>Types of Investments</u>	<u>No of shares</u>	<u>% holding</u>	<u>2023</u>	<u>2022</u>
						USD	USD
Novelty Homes Textiles, S.A De C.V	Mexico	Series A	Unquoted	49,999		<u>4,192</u>	4,192
		Series B	Unquoted	3,619,248	99.99%	<u>303,452</u>	303,452
		Series C	Unquoted	9,000,000		<u>728,085</u>	<u>728,085</u>
						<u>1,035,729</u>	<u>1,035,729</u>

The directors had valued the unquoted investment at cost. They were of the opinion that this reflects the value of the investment.

5. OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
	USD	USD
Non-financial instruments:		
Prepayments	<u>206</u>	<u>206</u>

6. STATED CAPITAL

	<u>2023</u>	<u>2022</u>
	USD	USD
<i>Issued and fully paid up</i>		
370,862 ordinary shares of USD 1 each	<u>370,862</u>	<u>370,862</u>

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. OTHER PAYABLES	<u>2023</u>	<u>2022</u>
	USD	USD
Accrued expenses	<u>9,524</u>	<u>9,524</u>

8. TAXATION

The Company is liable to pay tax in Mauritius at the rate of 15%. However, foreign tax credit is the higher of:

- (a) deemed foreign tax credit of 80% of Mauritius tax charge, and
- (b) withholding tax suffered on foreign source income. In addition to the withholding tax credit, in the case of dividend income, tax credit is available for any foreign tax imposed on the profits out of which that dividend income was directly and indirectly received. Capital gains are exempt from tax in Mauritius.

No provision has been made in the accounts due to the availability of tax losses. A numerical reconciliation between the accounting profit and the tax charge is shown below:

Tax reconciliation	<u>2023</u>	<u>2022</u>
	USD	USD
Profit /(loss) before taxation	2,103	(13,337)
Less: Exempt income	<u>(36)</u>	<u>(2)</u>
Chargeable income/tax loss	2,066	(13,339)
Loss brought forward	(26,199)	(12,916)
Loss expired	-	56
Loss carried forward	<u>(24,133)</u>	<u>(26,199)</u>
 <i>Up to Year ending</i>		USD
<i>31 March 2024</i>		10,794
<i>31 March 2021</i>		13,339
Total		<u>24,133</u>

9. FINANCIAL INSTRUMENTS**(a) Values of financial instruments**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The Company's financial assets and liabilities include cash and cash equivalents, other receivables, other payables and loans. The carrying amounts of these assets and liabilities approximate their fair values.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****9. FINANCIAL INSTRUMENTS (Continued)****(b) Currency profile**

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

	Financial assets 2023 USD	Financial liabilities 2023 USD	Financial assets 2022 USD	Financial liabilities 2022 USD
United States Dollars	<u>4,389</u>	<u>9,524</u>	<u>2,286</u>	<u>9,524</u>

Note: Prepayments of USD 206 are not included under financial assets (2022: 206).

(c) Credit risk

Credit risk refers to the risk that counterparties will default on their obligations resulting in financial loss to the Company. The Company has, as far as it is practicable, adopted a policy of only dealing with creditworthy counterparties. The Company's exposure and the credit ratings of its customers are continuously monitored. The Company has no history of default clients. No credit risk is associated with the bank balances since the bank is reputable and with high credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting period was:

	<u>2023 USD</u>	<u>2022 USD</u>
Loan receivable	1	1
Cash and cash equivalents	<u>4,389</u>	<u>2,286</u>
	<u>4,390</u>	<u>2,287</u>

(d) 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, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****9. FINANCIAL INSTRUMENTS (Continued)**

The table below illustrates the aged analysis of the company's financial assets and liabilities.

	31 March 2023		
	On demand	1 to 5 Years	Total
	USD	USD	USD
Liabilities			
Other payables	9,524	-	9,524
<i>Total liabilities</i>	<u>9,524</u>	<u>-</u>	<u>9,524</u>

(d) Liquidity risk (continued)

	31 March 2022		
	On demand	1 to 5 Years	Total
	USD	USD	USD
Liabilities			
Other payables	9,524	-	9,524
<i>Total liabilities</i>	<u>9,524</u>	<u>-</u>	<u>9,524</u>

10. 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.

Loan to Novelty Homes Textiles S.A De C.V

	2023	2022
	USD	USD
At March, 31	<u>1</u>	<u>1</u>

11. CONTINGENT LIABILITIES

At 31 March 2023, the Company has no material litigation or claims outstanding, pending or threatened against, which could have a material effect on the Company's financial position or results of operations.

12. CAPITAL COMMITMENTS

The Company has no material commitments at 31 March 2023.

WELSPUN MAURITIUS ENTERPRISES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****13. EVENTS AFTER REPORTING PERIOD**

There is no event subsequent to the reporting date which may have a material effect on the financial statements at 31 March 2023.

14. HOLDING COMPANY

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

15. REPORTING CURRENCY

The financial statements are presented in United States Dollar (“USD”).

16. COVID-19

The board of directors is of the view that the significant doubt associated with the current uncertainties related to the COVID-19 virus currently does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. The financial statements are prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.