Rajendra K Gupta & Associates
Chartered Accountants

Rajendra Kumar Gupta
B.Com. F.C.A.

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INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Vedanta Creations Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Vedanta Creations Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit & Loss, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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, 2019, and its profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the

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accounting Standards specified under section 133 of the Act. 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.

In preparing the financial statements, the Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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 SAs 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 SAs, we exercise professional judgment 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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.

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- 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of written representations received from the directors as on March 31,2019 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of section 164(2) of the Act.

(f) With respect to other matters to be included in the Auditor's Report in accordance with the requirement of section 197(16) of the Act as amended ;

In our opinion and the best of our information the Company has not paid any managerial remuneration hence provisions of section 197 of the Act are not applicable to the Company.

(g) 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 B".

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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as at March 31, 2019. Refer Note No. 34 to the financial statements.

ii. The Company did not have any long term contracts including derivative contracts for which there were material foreseeable losses:

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

For Rajendra K Gupta & Associates
Chartered Accountants
Firm Registration No.: 108373W

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place: Mumbai
Dated:30th May 2019

Annexure -A

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Vedanta Creations Limited

(i) (a) The Company has maintained records for fixed assets showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets of the Company have been physically verified by the management at reasonable interval.

(c) According to the information and explanation given to us as the Company owns no immovable properties, the requirement on reporting whether title deed of immovable property is held in the name of the Company is not applicable

(ii) According to the information and explanation given to us, the management has conducted physical verification in respect of stock at reasonable intervals. No material discrepancies have been noticed on physical verification of stocks.

(iii) The Company has not granted any loans or advances in the nature of loans to the parties covered in the register maintained under Section 189 of the Act. Hence, the question of reporting whether the receipt of principal and interest are regular and, whether reasonable steps of recovery of over dues of such loans are taken does not arise.

(iv) The Company has not given any loans nor made any investment during the year. Hence provision of Section 185 and 186 of the Act are not applicable to the Company.

(v) Based on our scrutiny of the Company's records and according to the information and explanation provided by the management, in our opinion, the Company has not accepted any deposits so far up to 31st March 2019 which are 'deposits' within the meaning of Rule2(b) of the Companies (Acceptance of Deposit) Rules, 2014.

(vi) According to information and explanation provided by the management, during the year Company is not engaged in production of any goods or provision of any service for which the Central Government has prescribed particulars relating to utilization of material or labour or other items of cost. Hence, the provisions of section 148(1) of the Act do not apply to the Company. Hence, in our opinion, no comment on maintenance of cost records under section 148(1) of the Act is required.

(vii) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth-tax, custom duty, value added tax, excise duty, cess and other statutory dues as applicable to it.

According to the information and explanations given, no undisputed amounts payable in respect of income-tax, sales tax, value added tax, custom duty and excise duty were outstanding, as at 31st March 2019 for a period of more than six months from the date they became payable;

(b) According to the records of the Company, there are no dues of sales tax, income-tax, value added tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute;

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(viii) Based on our audit procedures and on the basis of information and explanation given by the management, we are of opinion that the Company has not defaulted in repayment of loan or borrowing from financial institutions or banks or dues to debenture holders.

(ix) According to the records of the Company, the Company has not raised any moneys by way of Initial Public Offer or Further Public Offer nor has the Company obtained any term loan. Hence, comments under the clause are not called for.

(x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on the Company by its officer or employees or any fraud by the Company has been noticed or reported during the course of our audit.

(xi) According to information and explanation given to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration. Accordingly, paragraph xi of the Order is not applicable.

(xii) In our opinion, and to the best of our information and according to the explanations provided by the management, we are of the opinion that the Company is not a nidhi hence, in our opinion, the requirements of Clause 3(xii) of the Order does not apply to the Company.

(xiii) According to the information and explanations given to us and based on our examination of records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934.

For Rajendra K Gupta & Associates
Chartered Accountants
Firm Registration No.: 108373W

Rajendra Kumar Gupta

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place: Mumbai
Dated:30th May 2019

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Annexure -B

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financials 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 **Vedanta Creations Limited ("the Company") as of March 31, 2019** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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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

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, 2019, 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 Rajendra K Gupta & Associates
Chartered Accountants
Firm Registration No.: 108373W

Rajendra Kumar Gupta

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place: Mumbai
Dated:30th May 2019

RAJENDRA K. GUPTA & ASSOCIATES * MUMBAI * CHARTERED ACCOUNTANTS

VEDANTA CREATIONS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2019

(In. Rs.)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipment	2	8,33,233	11,14,557
(b) Financial assets			
(i) Investments	3	50,00,000	50,00,000
(c) Deferred tax assets (net)	4	33,54,080	33,73,461
(d) Other non-current assets	5	21,74,797	20,82,345
2. Current assets			
(a) Inventories	6	3,61,20,928	2,03,05,871
(b) Financial Assets			
(i) Trade receivable	7	7,29,05,537	7,92,95,798
(ii) Cash and cash equivalents	8	56,964	1,12,372
(iii) Bank balances othe than (ii) above	9	1,36,89,000	1,36,89,000
(c) Other current assets	10	94,05,612	5,64,74,430
TOTAL ASSETS		**14,35,40,150**	**18,14,47,835**
EQUITY AND LIABLITIES			
1. Equity			
(a) Equity Share Capital	11	28,47,500	28,47,500
(b) Other Equity	12	9,60,76,654	9,55,72,980
2. Liablities			
Non-current liablities			
(a) Provisions	13	29,046	24,674
3. Current liablities			
(a) Financial Liablities			
(i) Borrowings	14	25,36,615	5,449
(ii) Trade payable			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15	2,06,24,740	8,03,91,030
(iii) Other financial liabilities	16	1,88,40,756	-
(b) Provisions	17	32,479	28,074
(c) Other current liablities	18	25,52,361	25,78,128
TOTAL EQUITY AND LIABLITIES		**14,35,40,150**	**18,14,47,835**

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rajendra K. Gupta & Associates
Chartered Accountants
Firm Registration No:108373W

Rajendra Kumar Gupta

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place : Mumbai
Date : 30th May 2019

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

For and on behalf of Board of Directors

Vedanta Creations Limited

Brijgopal Bang
Director
(DIN: 00112203)
Place : Mumbai
Date : 30th May 2019

Raghvendra Bang
Director
(DIN: 00356811)

VEDANTA CREATIONS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(In. Rs.)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
INCOME			
Revenue from Operations	19	16,72,82,192	22,71,62,783
Other Income	20	9,14,771	15,14,216
Total Income		16,81,96,963	22,86,76,999
EXPENSES			
Purchase of Stock-in-Trade	21	17,82,80,152	22,88,66,806
Changes in inventories of Stock-in-Trade	22	(1,58,15,057)	(60,73,248)
Employee benefit expense	23	6,29,870	4,25,139
Finance costs	24	12,37,888	24,58,646
Depreciation and amortization expense	2	2,81,324	4,19,126
Other expenses	25	30,69,361	33,04,350
Total Expenses		16,76,83,538	22,94,00,819
Profit/(Loss) before tax		5,13,425	(7,23,820)
Tax Expenses			
Current tax		-	-
Deferred tax		19,382	2,78,726
Prior Period Tax Adjustments		(172)	-
Profit/(Loss) for the year		**4,94,215**	**(10,02,546)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) (i) Remeasurement of net defined benefit obligations		12,783	-
(ii) Income tax expenses on Remeasurement of net defined benefit obligations		(3,324)	-
Total other Comprehensive Income for the year, net of tax		**9,459**	-
Total Comprehensive Income for the Year (Comprising Profit and other Comprehensive Income for the Year)		**5,03,674**	**(10,02,546)**
Earning per equity share: (Refer Note 31)			
(1) Basic		1.74	(3.52)
(2) Diluted		1.74	(3.52)

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Rajendra K. Gupta & Associates
Chartered Accountants
Firm Registration No:108373W

Rajendra Kumar Gupta

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place : Mumbai
Date : 30th May 2019

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

For and on behalf of Board of Directors
Vedanta Creations Limited

Brijgopal Bang
Director
(DIN: 00112203)
Place : Mumbai
Date : 30th May 2019

Raghvendra Bang
Director
(DIN: 00356811)

VEDANTA CREATIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(In. Rs.)

Particulars	2018-2019	2017-2018
A. Cash flow from Operating Activities		
Net profit/(Loss) before tax	5,13,425	(7,23,820)
Adjustments for:		
Depreciation	2,81,324	4,19,126
Interest income	(9,12,640)	(9,22,793)
Interest expense	1,08,226	40,837
Operating profit before Working Capital changes	**(9,665)**	**(11,86,650)**
Decrease / (Increase) in trade receivables	63,90,261	(5,66,18,874)
Decrease / (Increase) in inventories	(1,58,15,057)	(60,73,248)
Decrease/(Increase) in other current assets	4,69,78,337	7,06,58,950
Decrease/(Increase) in other non-current assets	-	1,770
Increase / (Decrease) in other current liabilities	(25,767)	24,674
Increase / (Decrease) in other non-current liabilities	4,372	66,284
Increase / (Decrease) in other current provisions	4,405	(2,65,995)
Increase / (Decrease) in trade payables	(5,97,66,291)	2,00,81,972
Cash generated from operations	**(2,22,39,404)**	**2,66,88,883**
Direct taxes paid	7,660	92,452
Net Cash from Operating Activities	**(2,22,31,744)**	**2,67,81,334**
B. Cash flows from Investing activities		
(Increase) / Decrease in deposits with bank	-	63,056
Interest received	9,12,640	9,22,793
Net Cash from Investing Activities	**9,12,640**	**9,85,849**
C. Cash flows from Financing Activities		
Short term borrowings	25,31,166	(2,76,46,411)
Current financial liabillities	1,88,40,756	-
Interest paid	(1,08,226)	(40,837)
Net cash from Financing Activities	**2,12,63,696**	**(2,76,87,248)**
Net increase in cash and cash equivalents (A + B + C)	**(55,408)**	**79,936**
Cash and cash equivalents at the beginning of the year	**1,12,372**	**32,437**
Cash and cash equivalents at the end of the year	**56,964**	**1,12,372**

As per our report of even date attached

For Rajendra K. Gupta & Associates
Chartered Accountants
Firm Registration No:108373W

Rajendra Kumar Gupta

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place : Mumbai
Date : 30th May 2019

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

For and on behalf of Board of Directors
Vedanta Creations Limited

Brijgopal Bang
Director
(DIN: 00112203)

Raghvendra Bang
Director
(DIN: 00356811)

Place : Mumbai
Date : 30th May 2019

Note 1

SIGNIFICANT ACCOUNTING POLICIES:

1. Background

Vedanta Creations Limited (VCL or the Company) incorporated in India is in involved in business of trading of Textile and Textile products.

2. Basis of preparation of Financial Statements

i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except defined benefit plan measured at fair value of plan assets less present value of defined benefit plan.

iii) Current & Non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III, unless otherwise stated.

3. Use of Estimate

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

4. Property, plant and equipment

Tangible assets

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure i.e. directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

RAJENDRA K. GUPTA & ASSO. CHARTERED ACCOUNTANTS MUMBAI

Depreciation

Depreciation on the property, plant and equipment is provided on written down value method at the rates prescribed and in the manner specified in Schedule II to the Companies Act, 2013. The gain and loss on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss.

5. Cash & Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value.

6. Leases

Operating lease

As a lessee
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

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

7. Inventories

Inventories are valued at lower of cost or net realisable value determined on FIFO basis. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

8. Revenue Recognition

Revenue form contracts with customers is recognised when control of the goods is transferred to the customer which usually is on delivery of goods to the transporter at an amount that reflects the consideration to which the Company expects to be entitle in exchange for those goods. Revenue are measured at the fair value of the consideration receive or receivable and net of indirect taxes.

The Company does not expect to have any contracts where the period between the transfer of promise goods to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the company perform by transferring the goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognise for the earned consideration that is conditional. The

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Company does not have any contract assets as performance under right to consideration occurs with-in a short period of time and all rights to consideration are unconditional.

A contact liability is the obligation to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the company performs under the contract.

9. Investment in other financial assets

Classification

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

1. Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

2. Those measured at amortised cost.

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

(ii) **Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

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

1. **Amortised cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

2. Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss. However, where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

(iii) **Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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(iv) Income recognition

Interest income
Interest income from debt instruments is recognized using the effective interest rate method.

Dividends
Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established.

10. Impairment of non- financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, 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. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

11. Foreign Exchange Transaction

(a) Functional and presentation currency
The financial statements are presented in Indian rupees (INR), which is Company's functional and presentation currency.

(b) Transaction and balances
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

12. Employee benefits

Short term employee benefits
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post –employment Benefits
The Company operates the following post-employment schemes:

a. defined benefit plans such as gratuity; and

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b. defined contribution plans such as provident fund.

Defined Benefit Plans

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

Defined Contribution plans

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are charged to Statement of Profit and Loss as incurred.

Other employee benefits

The liabilities for earned leave is determined on the basis of accumulated leave to the credit of the employees as at the year-end charged to the statement of profit and loss as per the Company's rules being the short term benefits.

13. Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used for taxation purpose.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted

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or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

14. Earning per share

Basic earnings per share

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year,

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

15. Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

16. Provision and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

17. Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

18. Segment Reporting

Operating segments are reported in manner consistent with the internal reporting provided to the chief operating decision maker. The management assesses the financial performance and position of the Company and makes strategic decisions. The chief operating decision maker consists of the Directors of the Company.

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Note 2 : Property, Plant and Equipment

(In Rs.)

Particulars	**Gross Block**				**Depreciation**				**Net Block**	
	as at 01/04/2018	Addition	Dedutction	as on 31/03/2019	up to 01/04/2018	for the Year	Depreciation Adjustment	up to 31/03/2019	as on 31/03/2019	as on 31/03/2018
Tangible Assets (Owned)										
Office Equipment	5,55,026	-	-	5,55,026	5,04,699	15,669	-	5,20,368	34,658	50,327
Furniture & Fixture	17,51,767	-	-	17,51,767	14,03,350	87,941	-	14,91,291	2,60,476	3,48,417
Electric Installation	9,41,835	-	-	9,41,835	8,94,740	-	-	8,94,740	47,095	47,095
Computer System	3,43,805	-	-	3,43,805	3,26,617	-	-	3,26,617	17,189	17,189
Vehicles	32,46,330	-	-	32,46,330	26,90,935	1,77,714	-	28,68,649	3,77,681	5,55,395
Leasehold Improvement (Civil Work)	19,22,681	-	-	19,22,681	18,26,547	-	-	18,26,547	96,134	96,134
	87,61,445	**-**	**-**	**87,61,445**	**76,46,889**	**2,81,324**	**-**	**79,28,213**	**8,33,233**	**11,14,557**
Previous year	87,61,445	-	-	87,61,445	72,27,763	4,19,126	-	76,46,889	11,14,557	

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(In Rs.)

Particulars	As at 31st March 2019	As at 31st March 2019
Note 3 : Investments		
Other Equity Instruments		
Non Trade - Unquoted		
Name of Company — Face Value — Nos.		
Excel Agencies Pvt Ltd — 10 — 5000	25,00,000	25,00,000
N.K. Overses Traders Pvt Ltd — 100 — 500	25,00,000	25,00,000
	50,00,000	50,00,000
Note 4 : Deferred tax assets		
Deferred tax assets on account of		
Disallowances u/s 43B of the Income Tax Act	(15,132)	(6,354)
Property, Plant and Equipment	8,07,368	8,70,946
Unabsorbed Losses	20,64,453	20,16,261
Long Term Capital Assets	4,97,391	4,92,609
	33,54,080	33,73,461
Note 5 : Other non-current assets		
Unsecured, considered good unless otherwise stated		
Income Tax (Tax deducted at source)	21,50,797	20,58,345
Security deposits	24,000	24,000
	21,74,797	20,82,345
Note 6 : Inventories		
Stock in Trade	3,61,20,928	2,03,05,871
	3,61,20,928	2,03,05,871
Note 7 : Trade Receivables		
Considered good		
Unsecured		
Related Parties	-	11,333
Other Parties	7,29,05,537	7,92,84,465
Considered doubtful		
Related Parties	-	-
Other Parties	4,76,474	4,76,474
Less : Allowance for doubtful debts	(4,76,474)	(4,76,474)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	7,29,05,537	7,92,95,798
Note 8 : Cash and Cash equivalents		
Balances with Banks in		
- Current Accounts	20,480	19,765
- Cash on Hand	36,484	92,607
	56,964	1,12,372
Note 9 : Bank balances othe than cash and cash equivalents		
Balances with Banks in		
- Fixed Deposit Accounts *	1,36,89,000	1,36,89,000
	1,36,89,000	1,36,89,000
* Lien has been marked by bank as security for letter of credit facilities.		
Note 10 : Other current assets		
Unsecured, considered good unless otherwise stated		
Advances to employees	30,000	8,000
Advance paid to suppliers	27,98,539	27,76,965
Receivable from Holding Company	-	4,82,26,981
Receivable from Related Party	36,98,000	36,98,000
Balance with statutory/government authorities	27,34,101	16,59,775
Prepaid Expenses	54,491	12,429
Income Tax (Tax deducted at source)	90,481	92,280
	94,05,612	5,64,74,430

VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(In Rs.)

Particulars	As at 31st March 2019		As at 31st March 2018	
Note 11 : Equity Share Capital				
Authorised				
10,00,000 Equity Shares of Rs. 10/- each		1,00,00,000		1,00,00,000
(Previous year 10,00,000 Equity Shares of Rs. 10/- each)		-		-
Issued, Subscribed & Fully Paid up				
2,84,750 Equity Shares of Rs. 10/- each fully paid up		28,47,500		28,47,500
(Previous year 2,84,750 equity shares of Rs. 10/- each fully paid up)				
Total		28,47,500		28,47,500
a) Terms/rights attached to Equity Shares				
The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.				
b) Shares held by the Holding/ultimate Holding Company and/or their subsidiaries/Assocaites.				
Out of the equity shares issued by the Company, shares held by its Holding Company are as under:				
Name of Holding Company	**No. of Shares**	**% of holding**	**No. of Shares**	**% of holding**
Bang Overseas Limited	2,84,750	100%	2,84,750	100%
c) Reconciliation of Issued Share Capital	No. of shares	Amount	No. of shares	Amount
Equity shares outstanding at beginning of year	2,84,750	28,47,500	2,84,750	28,47,500
Add: Issued During the year	-	-	-	-
Less: Brought Back During the year	-	-	-	-
Equity shares outstanding at end of year	2,84,750	28,47,500	2,84,750	28,47,500
d) Shareholders holding more than 5% of shares in the company	No. of shares	% of shares	No. of shares	% of shares
Bang Overseas Limited	2,84,7,50	100%	2,84,7,50	100%

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(In Rs.)

Particulars	Reserves and Surplus			
	Security Premium	General Reserves	Retained Earnings	Total
Note 12 : Other Equity				
As at 1st April 2017	31,27,500	49,15,173	8,85,32,853	9,65,75,526
Profit for the year	-	-	(10,02,546)	(10,02,546)
As at 31st March 2018	**31,27,500**	**49,15,173**	**8,75,30,307**	**9,55,72,980**
As at 1st April 2018	31,27,500	49,15,173	8,75,30,307	9,55,72,980
Profit for the year	-	-	4,94,215	4,94,215
Remeasurment of net defined benefit Obligations, net of taxes	-	-	9,459	9,459
Total comprehensive income for the year	-	-	5,03,674	5,03,674
As at 31st March 2019	**31,27,500**	**49,15,173**	**8,80,33,981**	**9,60,76,654**

VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(In Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018
Note 13 : Provisions		
Provision for gratuity	29,046	24,674
	29,046	**24,674**
Note 14 : Borrowings		
Secured (Repayble on demand)		
Working capital loan from Bank	25,36,615	5,449
	25,36,615	5,449

a) Nature of Security for secured borrowings
Working Capital loans of Rs. 25,36,615 as on 31.03.2019 (P.Y. Rs. 5,449) and Inland LC bills credit of Rs. 30,06,235 (P.Y. Rs. 5,07,09,333) from banks under sole arrangement is secured by hypothecation of present and future stock's, book debts, receivables and Collateral of Fixed Deposit receipts of Rs. 2,00,00,000 (P.Y. Rs. 2,00,00,000) in the name of Holding Company.

Particulars	As at 31st March 2019	As at 31st March 2018
Note 15 : Trade Payables		
For goods and services	1,47,02,273	7,43,84,560
Payable to Holding Company	59,22,467	60,06,470
	2,06,24,740	8,03,91,030

DUES TO MICRO AND SMALL ENTERPRISES:
The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows

Particulars	As at 31st March 2019	As at 31st March 2018
a) The principal amount remaining unpaid to any supplier at the end of the year	-	-
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006	-	-
	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

Particulars	As at 31st March 2019	As at 31st March 2018
Note 16 : Other financial liabilities		
Payable to Holding Company	1,88,40,756	-
	1,88,40,756	-
Note 17 : Provisions		
Provision for others	3,324	-
Provision for employee benefits	29,155	28,074
	32,479	28,074
Note 18 : Other Current Liabilities		
Statutory liabilities	34,168	58,789
Advance Received from Customers	25,18,193	25,19,339
	25,52,361	25,78,128

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NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(In. Rs.)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Note 19 : Revenue from Operations		
Sale of Products		
- Trade Goods (Fabrics)	16,72,82,192	22,71,62,783
Net Sales	16,72,82,192	22,71,62,783
Note 20 : Other Income		
Interest on deposits	9,12,640	9,22,793
Interest on income tax/sales tax refund	-	1,54,262
Doubtful debts provision written back	-	50,000
Foreign exchange gain	-	2,91,889
Sundry credit balance written back	2,131	95,272
	9,14,771	15,14,216
Note 21 : Purchase of stock-in-trade		
Trade Purchases	17,82,80,152	22,88,66,806
Net Purchase	17,82,80,152	22,88,66,806
Note 22 : Changes in inventories of stock in trade		
Opening Stock	2,03,05,871	1,42,32,623
Less: Closing Stock	3,61,20,928	2,03,05,871
	(1,58,15,057)	(60,73,248)
Note 23 : Employee Benefit Expenses		
Salaries, Wages, and Bonus	5,68,691	3,65,745
Contribution to Provident Fund and other funds	42,920	40,627
Gratuity Expenses	18,159	17,537
Workmen and staff welfare expenses	100	1,230
	6,29,870	4,25,139
Note 24 : Finance costs		
Interest paid to banks	1,07,671	39,819
Interest paid to Others	555	1,018
Bank Charges	11,29,662	24,17,809
	12,37,888	24,58,646
Note 25 : Other Expenses		
Freight and forwarding charges	17,18,738	25,32,952
Rent	3,00,168	77,874
Rates & Taxes	56,551	10,304
Insurance Charges	62,887	78,570
Repairs & Maintenance		
- Other	27,050	25,480
Discount on sales & Quantity claims	2,426	17,842
Brokerage & Sales Commission	2,20,142	1,31,696
Travelling and conveyance expenses	4,350	1,575
Printing & Stationary	44,425	29,200
Legal, Professional and Consultancy fees	1,60,016	1,95,425
Auditor's remuneration		
- Audit fee	29,500	29,500
- Tax Audit fee	17,995	17,995
Security Charges	1,24,332	1,13,500
Foreign exchange loss	2,99,489	-
Prior Period Items	-	40,646
Other Expenses	1,292	1,791
	30,69,361	33,04,350

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NOTES ON ACCOUNTS

26. Contingent Liabilities:

Particulars		As at 31.03.2019	As at 31.03.2018
Letter of Credit		51,38,967	2,01,91,207

27. Post Retirement Benefit Plan:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expenses for the year are as under:

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund (In Rs.)	29,446	21,949

Defined Benefits Plan

Gratuity Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

The Company has recognized Rs. 18,159 (PY 5,376) in the profit & Loss Account during the year ended 31 March 2019 under defined contribution plan.

(a) Change in the Fair Value of Plan Assets

(In Rs)

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Fair Value of Plan Assets as at the beginning	85,088	37,064
Investment Income	6,632	2,740
Employer's Contribution	1,004	88,270
Employee's Contribution	-	-
Benefits Paid	-	(46,154)
Return on plan assets, excluding amount Recognized in net interest expense	5,970	3,168
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**98,694**	**85,088**

(b) Expenses Recognised in the Income Statement

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Current Service Cost	16,236	9,977
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-

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Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	1,923	7,560
Expenses Recognised in the Income Statement	**18,159**	**17,537**

(c) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Present Value of Obligation as at the beginning	**1,09,762**	**1,32,471**
Current Service Cost	16,236	9,977
Interest Expense or cost	8,555	9,795
Re-measurement (or Actuarial)(gain)/loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	1,476	(5,263)
- experience variance (i.e. Actual experience vs assumptions)	(8,289)	8,936
- others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	-	(46,154)
Acquisition Adjustment	-	-
Effect of Business combinations or disposals	-	-
Present Value of Obligation as at the end	**1,27,740**	**1,09,762**

(d) Bifurcation of Net Liability

Particulars	As on	
	31-Mar-19	31-Mar-18
Non-Current Liability (Long term)	29,046	24,674
Net Liability	**29,046**	**24,674**

(e) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Discount rate (per annum)	7.70%	7.40%
Salary growth rate (per annum)	7.00%	7.00%
Attrition /Withdrawal rate (per annum)	5.00%	5.00%
Mortality rate (% of IALM 06-08)	100%	100%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, sonority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(f) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on

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reasonably possible changes of assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

Particulars	31-Mar-19	31-Mar-18
Defined Benefit Obligation (Base)	1,27,740	1,09,762

Particulars	31-Mar-19		31-Mar-18	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,43,960	1,14,051	1,23,616	98,064
(% change compared to base due to sensitivity)	12.70%	-10.70%	12.60%	-10.70%
Salary Growth Rate (- / + 1%)	1,13,849	1,43,911	97,881	1,23,588
(% change compared to base due to sensitivity)	-10.90%	12.70%	-10.80%	12.60%
Attrition Rate (- / + 50% of attrition rates)	1,25,432	1,29,246	1,06,970	1,11,783
(% change compared to base due to sensitivity)	-1.80%	1.20%	-2.50%	1.80%
Mortality Rate (- / + 10% of mortality rates)	1,27,708	1,27,772	1,09,732	1,09,732
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

Please note that the sensitivity analysis presented above may not be representative of actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period. For change in assumptions please refer to section 5 above, where assumptions for prior period, if applicable, are given.

28. Segment Reporting:

Based on the "management approach" as defined in Ind AS 108 Operating Segments, the Director of the Company has been identified as Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker evaluates the Company's performance and allocate resources on the analysis of various performance indicator by business segment.

The company has only one geographical segment as it caters the need of domestic market only.

29. Financial Risk Management:

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

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Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments.

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	As at 31st March 2019	As at 31st March 2018
Borrowing Bearing Fixed rate of interest	25,36,615	5,449

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:
i) Actual or expected significant adverse changes in business
ii) Actual or expected significant changes in the operating results of the counterparty
iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
iv) Significant increase in credit risk on other financial instruments of the same counterparty

Ageing of Account Receivables

Particulars	As at 31st March 2019	As at 31st March 2018
0-6 months	5,60,65,118	7,36,73,777
Beyond 6 months	1,68,40,419	56,22,021
Total	**7,29,05,537**	**7,92,95,798**

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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The table below analyses the financial liability of the company into relevant maturity groupings based on the remaining period from reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flow.

Particulars	Less than 1 year	1-5 Years	Beyond 5 Years	Total
As at 31st March 2019				
Short term borrowing	25,36,615	-	-	25,36,615
Trade payable	3,94,65,496	-	-	3,94,65,496
Other financial liability including other payable	-	-	-	-
As at 31st March 2018				
Short term borrowing	5,449	-	-	5,449
Trade payable	8,03,91,030	-	-	8,03,91,030
Other financial liability including other payable	-	-	-	-

30. Capital Risk Management

Risk Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital on the basis of the following debt equity ratio:

Particulars	As at 31st March 2019	As at 31st March 2018
Net debt	25,36,615	5,449
Total Equity	9,89,24,154	9,84,20,481
Net debt to Total Equity	0.03	0.00

31. Earning per Share (EPS) (Rs.)

Particulars	31.03.2019	31.03.2018
Net Profit /(Loss) including exceptional item	4,94,215	(10,02,546)
Exceptional item	-	-
Net Profit /(Loss) excluding exceptional item	4,94,215	(10,02,546)
Nominal Value per share	10	10
Weighted Average no. of shares outstanding at the end of the year	2,84,750	2,84,750
E.P.S. Excluding exceptional item	**1.74**	**(3.52)**
E.P.S. Including exceptional item	**1.74**	**(3.52)**

32. Fair Value Measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

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· Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans repayable on demand approximate their carrying amounts largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	As at 31st March 2019			As at 31st March 2018		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		L1	L2		L1	L2
Financial Assets at amortised cost						
Trade Receivable	7,29,05,537	-	-	7,92,95,798	-	-
Cash & Cash Equivalent	56,964	-	-	1,12,372	-	-
Financial Liabilities						
Borrowings	25,36,615	-	-	5,449	-	-
Trade Payable	3,94,65,496	-	-	8,03,91,030	-	-

The Financial Instruments are categorised in two level based on the inputs used to arrive at fair value measurement as described below

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

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33. There are no foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2019.

34. Additional information pursuant to the provisions of Part II of the Schedule III of the Companies Act, 2013.

C.I.F Value of imports, Expenditure and Earning in Foreign exchange.

(Rs.)

Particulars	2018-2019	2017-2018
CIF Value of Imports	1,94,09,184	2,84,97,418

35. Previous year figure has been regrouped, rearranged and restated whenever necessary.

36. Information on Related Party Disclosure

A.	Holding Company	Bang Overseas Limited	
B.	Key Managerial Persons (KMP)	Brijgopal Bang Raghavendra Bang Purshottam Bang	(Director) (Director) (Director)
C.	Relatives of Key Managerial Persons	Harshvardhan Bang	
D.	Enterprises owned or significantly influenced by key mangement perosnnel or their relatives	Bang Brothers	

Disclosure of transection between the Company and related Parties and status of outstanding balances as on 31st March 2019.

(In Rs.)

Particulars	2018-2019	2017-2018
Holding Company		
Bang Overseas Ltd		
Purchase of finished goods / raw materials etc.	2,72,71,193	6,15,91,053
Sale of finished goods/raw materials etc	12,40,512	1,00,05,017
Rent paid	3,54,204	88,008
Outstanding (Payable)/Receivable as on 31st March 2019	(2,47,63,223)	4,22,20,511
Key Managerial Persons (KMP)		
Raghavendra Bang		
Outstanding Receivable as on 31st March 2019	36,98,000	36,98,000
Relatives of Key Managerial Persons		
Harshavardhan Bang		
Outstanding (Payable)/Receivable as on 31st March 2019	-	11,333
Enterprises owned or significantly influenced by ket management personnel or their relatives		
Bang Brothers		
Purchase of finished goods / raw materials etc.	12,40,513	-
Outstanding Receivable as on 31st March 2019	-	19,586

For Rajendra K. Gupta & Associates
Chartered Accountants
Firm Registration No:108373W

Rajendra Kumar Gupta

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place : Mumbai
Date : 30th May 2019

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

For and on behalf of Board of Directors

Vedanta Creations Limited

Brijgopal Bang
Director
(DIN: 00112203)
Place : Mumbai
Date : 30th May 2019

Raghvendra Bang
Director
(DIN: 00356811)