

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, 2021, 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, 2021, 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



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.



- 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, 2021 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 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".



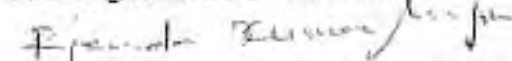
(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:

- i. The Company does not have pending litigations as at March 31, 2021.
- 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, 2021.

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No.: 108373W



Rajendra Kumar Gupta

Partner

Membership No. 9939

Place: Mumbai

Dated: 30th June 2021

UDIN: 21009939AAAACB9362



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 2021 which are 'deposits' within the meaning of Rule 2(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 2021 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;

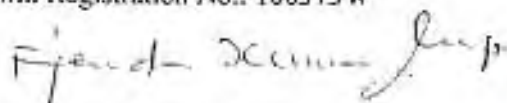


- (viii) Based on our audit procedures and on the basis of information and explanation given by the management, we are of opinion that the Company has not defaulted in repayment of loan or borrowing from financial institutions or banks or dues to debenture holders.
- (ix) According to the records of 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-IA of the Reserve Bank of India Act, 1934.

For Rajendra K Gupta & Associates

Chartered Accountants

Firm Registration No.: 108373W



Rajendra Kumar Gupta

Partner

Membership No. 9939

Place: Mumbai

Dated: 30th June 2021

UDIN: 21009939AAAACB9362



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

1. We have audited the internal financial controls over financial reporting of **Vedanta Creations Limited** ("the Company") as of **March 31, 2021** 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 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.

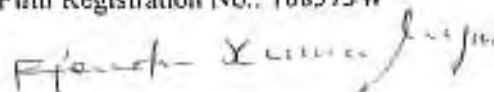
Opinion

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, 2021, 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

Partner

Membership No. 9939

Place: Mumbai

Dated: 30th June 2021

UDIN: 21009939AAAACB9362



VEDANTA CREATIONS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

(In Rs.)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	2	3,39,089	6,39,469
(b) Financial assets			
(i) Investments	3	50,00,000	50,00,000
(c) Deferred tax assets (net)	4	31,17,519	32,91,362
(d) Other non-current assets	5	21,73,578	21,72,998
2. Current assets			
(a) Inventories	6	5,08,43,936	2,94,48,294
(b) Financial assets			
(i) Trade receivable	7	7,46,33,583	10,76,27,449
(ii) Cash and cash equivalents	8	11,94,476	9,60,674
(iii) Bank balances other than cash and cash equivalents	9	15,05,376	1,36,89,000
(c) Other current assets	10	63,37,324	62,06,411
TOTAL ASSETS		14,53,44,881	16,90,35,657
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	11	28,47,500	28,47,500
(b) Other equity	12	9,94,20,341	9,77,11,039
2. Liabilities			
Non-current liabilities			
(a) Provisions	13	43,926	57,767
3. Current liabilities			
(a) Financial liabilities			
(i) Trade payable	14		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,04,24,223	5,93,31,863
(ii) Other financial liabilities	15		65,10,048
(b) Provisions	16	32,447	32,447
(c) Other current liabilities	17	25,76,444	25,44,993
TOTAL EQUITY AND LIABILITIES		14,53,44,881	16,90,35,657

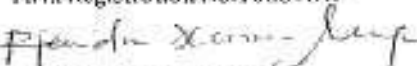
Significant Accounting Policies

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: 100373W



Rajendra Kumar Gupta
Partner

Membership No. 9939

Place : Mumbai

Date : 30th June 2021

UDIN:21009939AAAACB9362



For and on behalf of Board of Directors

Vedanta Creations Limited



Brigopal Bang
Director

(DIN: 00112203)

Place : Mumbai

Date : 30th June 2021



Raghendra Bang
Director

(DIN: 00356811)



VEDANTA CREATIONS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(In. Rs.)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
INCOME			
Revenue from operations	18	8,70,44,094	15,45,00,182
Other Income	19	18,98,510	9,22,265
Total Revenue		8,89,42,604	15,54,22,447
EXPENSES			
Purchase of Stock-In-Trade	20	10,26,28,190	13,59,99,503
Changes in inventories of Stock-in-Trade	21	(2,13,95,642)	66,72,634
Employee benefit expense	22	2,78,149	6,04,918
Finance costs	23	9,88,590	14,55,811
Depreciation and amortization expense	2	3,00,379	1,93,764
Other expenses	24	42,55,942	87,82,377
Total Expenses		8,70,55,609	15,37,09,007
Profit/(Loss) before tax		18,86,995	17,13,440
Current tax		-	-
Deferred tax		1,73,843	62,718
Prior Period Tax Adjustments		3,851	5,735
Profit/(Loss) for the year		17,09,302	16,44,987
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) (i) Remeasurement of net defined benefit obligations		-	(10,602)
(ii) Income tax expenses on Remeasurement of net defined benefit obligations		-	-
Total other Comprehensive Income for the year, net of tax		-	(10,602)
Total Comprehensive Income for the Year (Comprising Profit and other Comprehensive Income for the Year)		17,09,302	16,34,385
Earning per equity share: (Refer Note 31)			
(1) Basic		6.00	5.78
(2) Diluted		6.00	5.78

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 K. Gupta

Rajendra Kumar Gupta

Partner

Membership No. 9939

Place : Mumbai

Date : 30th June 2021

UDIN:21009939AAAACB9362



**For and on behalf of Board of Directors
Vedanta Creations Limited**

Brigopal Bang

Brigopal Bang

Director

(DIN: 00112203)

Place : Mumbai

Date : 30th June 2021

Raghendra Bang

Raghendra Bang

Director

(DIN: 00356811)



VEDANTA CREATIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(In. Rs.)

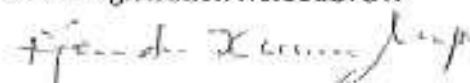
Particulars	As at 31st March 2021	As at 31st March 2020
A. Cash flow from Operating Activities		
Net profit/(Loss) before tax	18,86,995	17,13,440
Adjustments for:		
Depreciation	3,00,379	1,93,764
Interest income	(4,94,328)	(9,10,605)
Interest expense	2,89,966	1,54,403
Operating profit before Working Capital changes	19,83,013	11,51,002
Decrease / (Increase) in trade receivables	3,29,93,866	(3,47,21,912)
Decrease / (Increase) in inventories	(2,13,95,642)	66,72,634
Decrease/(Increase) in other current assets	1,17,75,710	31,08,140
Increase / (Decrease) in other current liabilities	(13,841)	28,721
Increase / (Decrease) in other non-current liabilities	31,451	(7,368)
Increase / (Decrease) in other current provisions	-	(10,634)
Increase / (Decrease) in trade payables	(1,89,07,640)	3,87,07,124
Cash generated from operations	64,66,917	1,49,27,700
Direct taxes paid	72,570	87,124
Net Cash from Operating Activities	65,39,487	1,50,14,830
B. Cash flows from Investing activities		
Interest received	4,94,328	9,10,605
Net Cash from Investing Activities	4,94,328	9,10,605
C. Cash flows from Financing Activities		
Short term borrowings	-	(25,36,615)
Current financial liabilities	(65,10,048)	(1,23,30,708)
Interest paid	(2,89,966)	(1,54,403)
Net cash from Financing Activities	(68,00,014)	(1,50,21,726)
Net Increase in cash and cash equivalents (A + B + C)	2,33,802	9,03,710
Cash and cash equivalents at the beginning of the year	9,60,674	56,964
Cash and cash equivalents at the end of the year	11,94,476	9,60,674

As per our report of even date attached

For Rajendra K. Gupta & Associates

Chartered Accountants

Firm Registration No:108373W



Rajendra Kumar Gupta

Partner

Membership No. 9939

Place : Mumbai

Date : 30th June 2021

UDIN:21009939AAAACB9362



For and on behalf of Board of Directors

Vedanta Creations Limited



Brijgopal Bang

Director

(DIN: 00112203)

Raghendra Bang

Director

(DIN: 00356811)

Place : Mumbai

Date : 30th June 2021



SIGNIFICANT ACCOUNTING POLICIES:

1. Background

Vedanta Creations Limited (VCL or the Company) incorporated in India is 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.



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 from 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 entitled in exchange for those goods. Revenue are measured at the fair value of the consideration received or receivable and net of indirect taxes.

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

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



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 contract 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 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.



(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



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



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.



VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Note 2 : Property, Plant and Equipment

(In Rs.)

Note 2 : Property, Plant and Equipment										
Particulars	Gross Block				Depreciation				Net Block	
	as at 01/04/2020	Addition	Deduction	as on 31/03/2021	up to 01/04/2020	for the Year	Depreciation Adjustment	up to 31/03/2021	as on 31/03/2021	as on 31/03/2020
Tangible Assets (Owned)										
Office Equipment	5,55,026	-	5,55,026	-	5,27,272	27,754	5,55,026	-	-	27,754
Furniture & Fixture	17,51,767	-	-	17,51,767	15,56,988	48,712	-	16,05,701	1,46,066	1,94,779
Electric Installation	9,41,835	-	9,41,835	-	8,94,740	47,095	9,41,835	-	-	47,095
Computer System	3,43,805	-	3,43,805	-	3,26,617	12,189	3,43,806	-	-	17,189
Vehicles	32,46,330	-	-	32,46,330	29,89,812	63,495	-	30,53,307	1,93,023	2,56,518
Leasehold Improvement (Civil Work)	19,22,681	-	19,22,681	-	18,26,547	96,134	19,22,681	-	-	96,134
	87,61,445	-	37,63,347	49,98,097	81,21,977	3,00,379	37,63,348	46,59,008	3,39,089	6,39,469
Previous year	87,61,445	-	-	87,61,445	79,28,213	1,93,764	-	81,21,977	6,39,469	



Particulars	As at 31st March 2021	As at 31st March 2020
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. Overseas 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	(18,993)	(16,559)
Property, Plant and Equipment	6,99,661	7,31,501
Unabsorbed Losses	16,06,392	19,82,942
Long Term Capital Assets	6,61,304	5,93,478
Mat Credit	1,69,154	-
	31,17,519	32,91,362
Note 5 : Other non-current assets		
Unsecured, considered good unless otherwise stated		
Income Tax (Tax deducted at source)	21,49,578	21,49,998
Security deposits	24,000	24,000
	21,73,578	21,72,998
Note 6 : Inventories (As taken, Valued & Certified by the Management)		
Stock in Trade	5,08,43,936	2,94,48,294
	5,08,43,936	2,94,48,294
Note 7 : Trade Receivables		
Overdue for period exceeding six months		
Unsecured, considered good		
Holding Company	2,50,47,124	-
Other Parties	4,95,86,458	10,76,27,449
Considered doubtful		
Other Parties	-	4,76,474
Less : Provision for bad & doubtful receivables	-	(4,76,474)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	7,46,33,583	10,76,27,449
Note 8 : Cash and Cash equivalents		
Balances with Banks in		
- Debit balance in Cash Credit Account	8,60,331	6,50,029
- Current Accounts	18,084	20,452
- Cash in Hand	3,16,061	2,90,193
	11,94,476	9,60,674
Note 9 : Bank balances other than cash and cash equivalents		
Balances with Banks in		
- Fixed Deposit Accounts	15,05,376	1,36,89,000
	15,05,376	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	43,914	914
Receivable from Related Party	36,98,000	36,98,000
Balance with statutory/government authorities	26,14,696	23,17,283
Prepaid Expenses	1,03,713	99,153
Income Tax (Tax deducted at source)	77,001	91,061
	65,37,324	62,06,411



VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(In Rs.)

Particulars	As at 31st March 2021	As at 31st March 2020
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 & 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/Associates.		
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%
50 shares held by six nominee shareholders		
c) Reconciliation of Issued Share Capital		
Equity shares outstanding at beginning of year	No. of shares Amount	No. of shares Amount
Add: Issued During the year	2,84,750 28,47,500	2,84,750 28,47,500
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		
Bang Overseas Limited	No. of shares % of shares	No. of shares % of shares
	2,84,750 100%	2,84,750 100%



Particulars	Reserves and Surplus			
	Security Premium	General Reserves	Retained Earnings	Total
Note 12 : Other Equity				
As at 1st April 2019	31,27,500	49,15,173	8,80,33,981	9,60,76,654
Profit for the year	-	-	16,34,385	16,34,385
As at 31st March 2020	31,27,500	49,15,173	8,96,68,366	9,77,11,039
As at 1st April 2020	31,27,500	49,15,173	8,96,68,366	9,77,11,039
Profit for the year	-	-	17,09,302	17,09,302
Remeasurement of net defined benefit Obligations, net of taxes	-	-	-	-
Total comprehensive income for the year	-	-	17,09,302	17,09,302
As at 31st March 2021	31,27,500	49,15,173	9,13,77,668	9,94,20,341

VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(In Rs.)

Particulars	As at 31st March 2021	As at 31st March 2020
Note 13 : Provisions		
Provision for gratuity	43,926	57,767
	43,926	57,767
Note 14 : Trade Payables		
For goods and services	4,04,24,223	3,67,00,826
Payable to Holding Company	-	2,26,23,037
	4,04,24,223	5,93,31,863

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 2021	As at 31st March 2020
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 payments (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 information 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 in balance brought forward from previous year.

Note 15 : Other financial liabilities		
Payable to Holding Company	-	65,10,046
	-	65,10,046
Note 16 : Provisions		
Provision for others	3,324	3,324
Provision for employee benefits	29,123	29,123
	32,447	32,447
Note 17 : Other Current Liabilities		
Statutory liabilities	50,251	26,800
Advance Received from Customers	25,10,193	25,18,193
	25,76,444	25,44,993



Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Note 18 : Revenue from Operations		
Sale of Products		
- Trade Goods (Fabrics)	8,70,44,094	15,45,00,182
Net Sales	8,70,44,094	15,45,00,182
Note 19 : Other Income		
Interest on deposits	4,94,328	9,10,605
Interest on income tax/sales tax refund	3,030	6,915
Foreign exchange gain	8,28,552	-
Doubtful debts provision written back	4,76,474	-
Gratuity provision written back	13,276	-
Sundry credit balance written back	82,850	4,745
	18,98,510	9,22,265
Note 20 : Trade Purchases		
Trade Purchases	10,26,28,190	13,59,99,503
Net Purchase	10,26,28,190	13,59,99,503
Note 21 : Changes in inventories of stock in trade		
Opening Stock	2,94,48,294	3,61,20,920
Less: Closing Stock	5,08,43,936	2,94,48,294
	(2,13,95,642)	66,72,634
Note 22 : Employee Compensation		
Salaries, Wages, and Bonus	2,53,985	5,48,188
Contribution to Provident Fund and other funds	9,664	34,907
Gratuity Expenses	-	19,123
Workmen and staff welfare expenses	14,500	2,700
	2,78,149	6,04,918
Note 23 : Finance costs		
Interest paid to banks	2,89,759	1,54,403
Interest paid to Others	207	-
Bank Charges	6,98,624	13,01,408
	9,88,590	14,55,811
Note 24 : Other Expenses		
Freight and forwarding charges	10,85,634	19,50,625
Rent	3,00,168	3,00,168
Rates & Taxes	1,42,317	7,486
Insurance Charges	1,11,950	1,18,592
Repairs & Maintenance		
- Other	2,500	2,000
Discount on sales and claims	-	40,230
Brokerage & Sales Commission	-	1,68,667
Travelling and conveyance expenses	-	5,655
Printing & Stationary	25,380	41,075
Legal, Professional and Consultancy fees	79,413	1,55,955
Auditor's remuneration		
- Audit fee	22,500	22,500
- Tax Audit fee	12,500	12,500
Security Charges	-	1,13,536
Bad debts	17,23,449	22,37,353
Foreign exchange loss	-	8,25,041
Sundry balances written off	-	27,25,661
Miscellaneous Expenses	7,50,132	55,333
	42,55,942	87,82,377

NOTES ON ACCOUNTS

25. Contingent Liabilities:

Particulars	As at 31.03.2021	As at 31.03.2020
Letter of Credit	24,81,882	32,62,286

26. Post Retirement Benefit Plan: Defined Contribution Plan

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

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund (In Rs.)	8,573	29,446

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. NIL (PY 19,123) in the profit & Loss Account during the year ended 31 March 2021 under defined contribution plan.

(a) Change in the Fair Value of Plan Assets

Particulars	(In Rs)	
	For the period ending	
	31-Mar-21	31-Mar-20
Fair Value of Plan Assets as at the beginning	1,05,829	98,694
Investment Income	7,085	7,615
Employer's Contribution	565	1,004
Employee's Contribution	-	-
Benefits Paid	-	-
Return on plan assets, excluding amount Recognized in net interest expense	(955)	(1,484)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	1,12,524	1,05,829

(b) Expenses Recognised in the Income Statement

Particulars	For the period ending	
	31-Mar-21	31-Mar-20
Current Service Cost	10,861	16,882
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Net Interest Cost / (Income) on the Net Defined Liability / (Asset)	3,868	1,923
Expenses Recognised in the Income Statement	14,729	19,123



(c) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31-Mar-21	31-Mar-20
Present Value of Obligation as at the beginning	1,63,596	1,27,740
Current Service Cost	10,861	16,882
Interest Expense or cost	10,953	9,856
Re-measurement (or Actuarial)(gain)/loss arising from:		
- change in demographic assumptions	-	11
- change in financial assumptions	(891)	18,289
- experience variance (i.e. Actual experience vs assumptions)	(28,069)	(9,182)
- others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	-	-
Acquisition Adjustment	-	-
Effect of Business combinations or disposals	-	-
Present Value of Obligation as at the end	1,56,450	1,63,596

(d) Bifurcation of Net Liability

Particulars	As on	
	31-Mar-21	31-Mar-20
Non-Current Liability (Long term)	43,926	57,767
Net Liability	43,926	57,767

(e) Financial Assumptions

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

Particulars	For the period ending	
	31-Mar-21	31-Mar-20
Discount rate (per annum)	6.75%	7.70%
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, seniority, 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 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-21	31-Mar-20
Defined Benefit Obligation (Base)	1,56,450	1,63,596



Particulars	31-Mar-21		31-Mar-20	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,75,683	1,40,056	1,85,390	1,45,291
(% change compared to base due to sensitivity)	12.30%	-10.50%	13.30%	-11.20%
Salary Growth Rate (- / + 1%)	1,39,949	1,75,442	1,45,180	1,85,104
(% change compared to base due to sensitivity)	-10.50%	12.10%	-11.30%	13.10%
Attrition Rate (- / + 50% of attrition rates)	1,57,320	1,55,768	1,65,749	1,61,768
(% change compared to base due to sensitivity)	0.60%	-0.40%	1.30%	-1.10%
Mortality Rate (- / + 10% of mortality rates)	1,56,460	1,56,440	1,63,609	1,63,584
(% 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.

27. 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.

28. 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.

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 31 st March 2021	As at 31 st March 2020
Borrowing Bearing Fixed rate of interest	NIL	NIL

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 31 st March 2021	As at 31 st March 2020
0-6 months	5,17,71,851	9,09,83,223
Beyond 6 months	2,28,61,732	1,66,44,226
Total	7,46,33,583	10,76,27,449

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.

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 31 st March 2021				
Short term borrowing	NIL	-	-	NIL
Trade payable	4,04,24,223	-	-	4,04,24,223
Other financial liability including other payable	NIL	-	-	NIL
As at 31 st March 2020				
Short term borrowing	NIL	-	-	NIL
Trade payable	5,93,31,863	-	-	5,93,31,863
Other financial liability including other payable	65,10,048	-	-	65,10,048

29. 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 31 st March 2021	As at 31 st March 2020
Net debt	NIL	NIL
Total Equity	10,22,67,841	10,058,539
Net debt to Total Equity	0.0	0.0

30. Earning per Share (EPS)

(Rs.)

Particulars	31.03.2021	31.03.2020
Net Profit /(Loss) including exceptional item	17,09,302	16,44,987
Exceptional item	-	-
Net Profit /(Loss) excluding exceptional item	17,09,302	16,44,987
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	6.00	5.78
E.P.S. Including exceptional item	6.00	5.78

31. 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:

- 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 31 st March 2021		As at 31 st March 2020	
	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	7,46,33,583	- -	10,76,27,449	- -
Cash & Cash Equivalent	11,94,476	- -	9,60,674	- -
Bank balances other than cash and cash equivalents	15,05,376	- -	1,36,89,000	- -
Financial Liabilities				
Borrowings	NIL	- -	NIL	- -
Trade Payable	4,04,24,223	- -	5,93,31,863	- -
Other Financial Liability	NIL	- -	65,10,048	- -

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.



VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

32. There are no foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2021.

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

CIF Value of imports, Expenditure and Earning in Foreign exchange.

(Rs.)

Particulars	2020-2021	2019-2020
CIF Value of Imports	2,06,43,467	3,03,70,554

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

35. Information on Related Party Disclosure

A. Holding Company	Bang Overseas Limited
B. Key Managerial Persons (KMP)	Brigopal Bang (Director) Raghavendra Bang (Director) Deepak Bang (Director) [w.e.f. 19.03.2020]

Disclosure of transaction between the Company and related Parties and status of outstanding balances as on 31st March 2021.

(In Rs.)

Particulars	2020-2021	2019-2020
Holding Company		
Bang Overseas Ltd		
Purchase of finished goods / raw materials etc.	4,80,13,711	2,90,31,867
Sale of finished goods/raw materials etc.	3,69,31,108	41,72,260
Rent paid	3,54,204	3,54,204
Outstanding (Payable)/Receivable as on 31st March 2021	2,50,47,124	(2,49,60,825)
Key Managerial Persons (KMP)		
Raghavendra Bang		
Outstanding Receivable as on 31st March 2021	36,98,000	36,98,000

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 June 2021

UDIN:21009939AAAACB9362

For and on behalf of Board of Directors

Vedanta Creations Limited

Brigopal Bang

Brigopal Bang

Director

(DIN: 00112203)

Place : Mumbai

Date : 30th June 2021

Raghavendra Bang

Raghavendra Bang

Director

(DIN: 00356811)

