Rajendra K Gupta & Associates
Chartered Accountants

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

Sunita Sandeep Gupta
B.Com. F.C.A.

Rajesh Parasnath Tiwari
B.Com. A.C.A.

Room No.3, Kshipra Society,
Akurli Cross Road No.1
Kandivali (East)
Mumbai: 400101
Tele: (022) 28874879
Email : rkgassociates2009@gmail.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Vedanta Creations Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of **Vedanta Creations Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit & Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken in account the provision of the Act, the accounting and auditing standards and matters which required to be included in the audit report under the provisions of the Act and Rules made there under.

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5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

6. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expression an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

8. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its loss (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

OTHER MATTER

9. The financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 30, 2017 and May 30, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition have been audited by us.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10 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 Annexure 'A' a statement on matters specified in paragraphs 3 and 4 of the said order.

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

(a) We have 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;

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CHARTERED ACCOUNTANTS
MUMBAI

(c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of accounts;

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

(e) On the basis of written representations received from the directors as on March 31,2018 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.

(f) Report on Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Act is enclosed as Annexure 'B' to this report.

(g) 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, 2018.

   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, 2018.

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

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place: Mumbai
Dated:30th May 2018

RAJENDRA K. GUPTA & ASSOCIATES
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Annexure -A

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Vedanta Creations Limited
(Referred to in paragraph 9 of our report of the even date)

(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 2018 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 2018 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 2018

RAJENDRA K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

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, 2018** 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

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

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, 2018, 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 K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place: Mumbai
Dated:30th May 2018

VEDANTA CREATIONS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

(In. Rs.)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	2	11,14,557	15,33,683	22,38,974
(b) Financial assets				
(i) Investments	3	50,00,000	50,00,000	50,00,000
(c) Deferred tax assets (net)	4	33,73,461	36,52,187	38,33,870
(d) Other non-current assets	5	20,82,345	20,84,287	22,73,169
2. Current assets				
(a) Inventories	6	2,03,05,871	1,42,32,623	1,47,63,974
(b) Financial assets				
(i) Trade receivable	7	7,92,95,798	2,26,76,924	3,02,26,902
(ii) Cash and cash equivalents	8	1,12,372	32,437	4,50,646
(iii) Bank balances othe than cash and cash equivalents	9	1,36,89,000	1,37,52,056	2,00,19,755
(c) Other current assets	10	5,64,74,430	12,72,25,660	7,80,64,570
TOTAL ASSETS		**18,14,47,835**	**19,01,89,857**	**15,68,71,861**
EQUITY AND LIABLITIES				
1. Equity				
(a) Equity share capital	11	28,47,500	28,47,500	28,47,500
(b) Other equity	12	9,55,72,980	9,65,75,526	9,65,45,720
2. Liablities				
Non-current liablities				
(a) Provisions	13	24,674	-	-
3. Current liablities				
(a) Financial liablities				
(i) Borrowings	14	5,07,14,782	7,83,61,193	2,26,80,387
(ii) Trade payable	15	2,96,81,697	95,99,725	3,44,52,422
(b) Provisions	16	28,074	2,17,907	2,59,175
(c) Other current liablities	17	25,78,128	25,11,844	86,657
(d) Current tax liablities (net)	18	-	76,162	-
TOTAL EQUITY AND LIABLITIES		**18,14,47,835**	**19,01,89,857**	**15,68,71,861**

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 2018

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Vedanta Creations Limited

Brijgopal Bang
Director
(DIN: 00112203)
Place : Mumbai
Date : 30th May 2018

Raghvendra Bang
Director
(DIN: 00356811)

VEDANTA CREATIONS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(In. Rs.)

Particulars	Note No.	For the year ended 31st March 2018	For the year ended 31st March 2017
INCOME			
Revenue from operations	19	22,71,62,783	23,24,06,928
Other Income	20	15,14,216	26,48,059
Total Revenue		22,86,76,999	23,50,54,987
EXPENSES			
Purchase of Stock-in-Trade	21	22,88,66,806	22,75,92,452
Changes in inventories of Stock-in-Trade	22	(60,73,248)	5,31,351
Employee benefit expense	23	4,25,139	2,75,081
Finance costs	24	24,58,646	22,14,184
Depreciation and amortization expense	2	4,19,126	7,05,291
Other expenses	25	33,04,350	33,49,724
Total Expenses		22,94,00,819	23,46,68,083
Profit/(Loss) before tax		(7,23,820)	3,86,904
Current tax		-	1,75,000
Deferred tax		2,78,726	1,81,683
Prior Period Tax Adjustments		-	415
Profit/(Loss) for the year		**(10,02,546)**	**29,806**
Total Comprehensive Income for the year		**(10,02,546)**	**29,806**
Earning per equity share: (Refer Note 32)			
(1) Basic		(3.52)	0.10
(2) Diluted		(3.52)	0.10

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 2018

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 2018

Raghvendra Bang
Director
(DIN: 00356811)

VEDANTA CREATIONS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(In. Rs.)

Particulars	2017-2018	2016-2017
A. Cash flow from Operating Activities		
Net profit/(Loss) before tax	(7,23,820)	3,86,904
Adjustments for:		
Depreciation	4,19,126	7,05,291
Interest income	(9,22,793)	(10,15,285)
Interest expense	40,837	3,16,220
Operating profit before Working Capital changes	**(11,86,650)**	**3,93,130**
Decrease / (Increase) in trade receivables	(5,66,18,874)	75,49,978
Decrease / (Increase) in inventories	(60,73,248)	5,31,351
Decrease/(Increase) in other current assets	7,06,58,950	(4,93,23,415)
Decrease/(Increase) in other non-current assets	1,770	7,000
Increase / (Decrease) in other current liabilities	24,674	-
Increase / (Decrease) in other non-current liabilities	66,284	24,25,187
Increase / (Decrease) in other current provisions	(2,65,995)	(41,268)
Increase / (Decrease) in trade payables	2,00,81,972	(2,48,52,697)
Cash generated from operations	**2,66,88,882**	**(6,33,10,734)**
Direct taxes paid	92,452	2,44,954
Net Cash from Operating Activities	**2,67,81,334**	**(6,30,65,780)**
B. Cash flows from Investing activities		
(Increase) / Decrease in deposits with bank	63,056	62,67,699
Interest received	9,22,793	10,15,285
Net Cash from Investing Activities	**9,85,849**	**72,82,984**
C. Cash flows from Financing Activities		
Repayment of short term borrowings	(2,76,46,411)	5,56,80,806
Interest paid	(40,837)	(3,16,220)
Net cash from Financing Activities	**(2,76,87,248)**	**5,53,64,586**
Net increase in cash and cash equivalents (A + B + C)	**79,936**	**(4,18,209)**
Cash and cash equivalents at the beginning of the year	**32,437**	**4,50,646**
Cash and cash equivalents at the end of the year	**1,12,372**	**32,437**

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 2018

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 2018

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.

These financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS.For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the date of transition to Ind AS.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following which have been measured at fair value:

1. certain financial assets and liabilities are measured at fair value;

2. defined benefit plans;

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

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 01st April 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

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.

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

8. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

9. 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.

10. 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.

11. 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.

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

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.

12. 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 in the computation of taxable profit.

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

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13. 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

14. 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.

15. 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.

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VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Note 2 : Property, Plant and Equipment

(In Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	as at 01/04/2017	Addition	Dedutction	as on 31/03/2018	up to 01/04/2017	for the Year	Depreciation Adjustment	up to 31/03/2018	as on 31/03/2018	as on 31/03/2017
Tangible Assets (Owned)										
Office Equipment	5,55,026	-	-	5,55,026	4,74,270	30,429	-	5,04,699	50,327	80,756
Furniture & Fixture	17,51,767	-	-	17,51,767	12,85,304	1,18,046	-	14,03,350	3,48,417	4,66,463
Electric Installation	9,41,835	-	-	9,41,835	8,90,325	4,415	-	8,94,740	47,095	51,510
Computer System	3,43,805	-	-	3,43,805	3,21,773	4,844	-	3,26,617	17,189	22,033
Vehicles	32,46,330	-	-	32,46,330	24,29,543	2,61,392	-	26,90,935	5,55,395	8,16,787
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**	**72,27,763**	**4,19,126**	-	**76,46,889**	**11,14,557**	**15,33,683**
Previous year	87,61,445	-	-	87,61,445	65,22,472	7,05,291	-	72,27,763	15,33,683	

RAJENDRA K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(In Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
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	25,00,000
N.K. Overses Traders Pvt Ltd 100 500	25,00,000	25,00,000	25,00,000
	50,00,000	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	(6,354)	(29,481)	(27,275)
Property, Plant and Equipment	8,70,946	11,14,374	11,29,724
Unabsorbed Losses	20,16,261	21,19,467	23,39,574
Long Term Capital Assets	4,92,609	4,47,826	3,91,848
	33,73,461	36,52,187	38,33,870
Note 5 : Other non-current assets			
Unsecured, considered good unless otherwise stated			
Income Tax (Tax deducted at source)	20,58,345	20,58,517	22,40,399
Security deposits	24,000	25,770	32,770
	20,82,345	20,84,287	22,73,169
Note 6 : Inventories			
(As taken, Valued & Certified by the Management)			
Stock in Trade	2,03,05,871	1,42,32,623	1,47,63,974
	2,03,05,871	1,42,32,623	1,47,63,974
Note 7 : Trade Receivables			
Overdue for period exceeding six months			
Unsecured, considered good			
Debts outstanding for a period exceeding six months	56,22,021	36,98,965	18,93,964
Doubtful	4,76,474	5,26,474	25,664
	60,98,495	42,25,439	19,19,628
Less : Provision for bad & doubtful receivables	(4,76,474)	(5,26,474)	(25,664)
	56,22,021	36,98,965	18,93,964
Unsecured, considered good			
Receivable from related party	11,333	75,751	31,023
Other Debts	7,36,62,444	1,89,02,208	2,83,01,915
	7,92,95,798	2,26,76,924	3,02,26,902
Note 8 : Cash and Cash equivalents			
Balances with Banks in			
- Current Accounts	19,765	16,584	4,37,357
- Cash In Hand	92,607	15,853	13,289
	1,12,372	32,437	4,50,646
Note 9 : Bank balances othe than cash and cash equivalents			
Balances with Banks in			
- Fixed Deposit Accounts	1,36,89,000	1,37,52,056	2,00,19,755
	1,36,89,000	1,37,52,056	2,00,19,755
Balances with banks in deposits includes fixed deposits aggregating to Rs. 1,36,89,000/- (PY Rs. 1,37,52,056/-) against which lien has been marked by banks as security.			
Note 10 : Other current assets			
Unsecured, considered good unless otherwise stated			
Advances to employees	8,000	14,000	38,824
Advance paid to suppliers	27,76,965	38,43,905	8,31,756
Receivable from Holding Company	4,82,26,981	11,74,67,383	7,29,90,890
Receivable from Related Party	36,98,000	36,98,000	16,75,372
Balance with statutory/government authorities	16,59,775	20,64,954	20,64,954
Prepaid Expenses	12,429	1,37,418	3,00,449
Income Tax (Tax deducted at source)	92,280	-	1,62,325
	5,64,74,430	12,72,25,660	7,80,64,570

VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(In Rs.)

Particulars	As at 31st March 2018		As at 31st March 2017		As at 01st April 2016	
Note 11 : Equity Share Capital						
Authorised						
10,00,000 Equity Shares of Rs. 10/- each		1,00,00,000		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		28,47,500
(Previous year 2,84,750 equity shares of Rs. 10/- each fully paid up)						
Total		28,47,500		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**	**No. of Shares**	**% of holding**
Bang Overseas Limited	2,84,750	100%	2,84,750	100%	2,84,750	100%
c) Reconciliation of Issued Share Capital	No. of shares	Amount	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	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	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	No. of shares	% of shares
Bang Overseas Limited	2,84,7,50	100%	2,84,7,50	100%	2,84,7,50	100%

VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(In Rs.)

Particulars	Reserves and Surplus			
	Security Premium	General Reserves	Retained Earnings	Total
Note 12 : Other Equity				
Balance as at 1st April 2016	**31,27,500**	**49,15,173**	**8,85,03,047**	**9,65,45,720**
Profit/(Loss) for the year			29,806	29,806
Balance as at 31st March 2017	31,27,500	49.15.173	8,85,32,853	9,65,75,526
Balance as at 1st April 2017	31,27,500	49,15,173	8,85,32,853	9,65,75,526
Profit/(Loss) for the year			(10,02,546)	(10,02,546)
Balance as at 31st March 2018	31,27,500	49,15,173	8,75,30,307	9,55,72,980

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VEDANTA CREATIONS LIMITED
NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(In Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Note 13 : Provisions			
Provision for gratuity	24,674	-	-
	24,674	-	-
Note 14 : Borrowings			
Secured			
Working capital loan from Bank	5,449	4,71,072	-
Inland LC bills accepted but due on maturity	5,07,09,333	7,78,90,121	2,26,80,387
	5,07,14,782	7,83,61,193	2,26,80,387

a) Nature of Security for secured borrowings

Working Capital loans of Rs. 5,449/- as on 31.03.2018 (P.Y. Rs. 4,71,072/-) and Inland LC bills credit of Rs. 5,07,09,333/- (P.Y. Rs. 7,78,90,121/-) 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 Bang Overseas Limited.

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Note 15 : Trade Payables			
For goods and services	2,36,75,227	95,99,725	3,43,23,622
Payable to Holding Company	60,06,470	-	1,28,800
	2,96,81,697	95,99,725	3,44,52,422
Note 16 : Provisions			
Provision for gratuity	-	95,407	88,270
Provision for employee benefits	28,074	1,22,500	1,70,905
	28,074	2,17,907	2,59,175
Note 17 : Other Current Liabilities			
Statutory liabilities	58,789	11,074	71,760
Advance Received from Customers	25,19,339	25,00,770	14,897
	25,78,128	25,11,844	86,657
Note 18 : Current tax liablities (net)			
Provision for iIncome tax	-	76,162	-
	-	76,162	-

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(In. Rs.)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Note 19 : Revenue from Operations		
Sale of Products		
- Trade Goods (Fabrics)	22,71,62,783	23,24,06,928
Net Sales	22,71,62,783	23,24,06,928
Note 20 : Other Income		
Interest on deposits	9,22,793	10,15,285
Interest on income tax/sales tax refund	1,54,262	20,356
Doubtful debts provision written back	50,000	25,664
Foreign exchange gain	2,91,889	15,86,754
Sundry credit balance written back	95,272	-
	15,14,216	26,48,059
Note 21 : Trade Purchases		
Trade Purchases	22,88,66,806	22,75,92,452
Net Purchase	22,88,66,806	22,75,92,452
Note 22 : Changes in inventories of stock in trade		
Opening Stock	1,42,32,623	1,47,63,974
Less: Closing Stock	2,03,05,871	1,42,32,623
	(60,73,248)	5,31,351
Note 23 : Employee Compensation		
Salaries, Wages, and Bonus	3,65,745	2,07,369
Contribution to Provident Fund and other funds	40,627	51,779
Gratuity Expenses	17,537	7,137
Workmen and staff welfare expenses	1,230	8,796
	4,25,139	2,75,081
Note 24 : Finance costs		
Interest paid to banks	39,819	33,326
Interest paid to Others	1,018	2,82,894
Bank Charges	24,17,809	18,97,964
	24,58,646	22,14,184
Note 25 : Other Expenses		
Freight and forwarding charges	25,32,952	17,25,856
Rent	77,874	86,254
Rates & Taxes	10,304	44,080
Insurance Charges	78,570	18,324
Repairs & Maintenance		
- Other	25,480	52,423
Bad Debts	-	25,664
Discount on sales & Quantity claims	17,842	4,80,554
Brokerage & Sales Commission	1,31,696	32,092
Travelling and conveyance expenses	1,575	8,005
Communication Cost	-	13,076
Printing & Stationary	29,200	987
Legal, Professional and Consultancy fees	1,95,425	1,73,248
Provision for doubtful debts	-	5,26,474
Auditor's remuneration		
- Audit fee	29,500	28,750
- Tax Audit fee	17,995	11,500
Security Charges	1,13,500	1,00,685
Prior Period Items	40,646	-
Other Expenses	1,791	21,752
	33,04,350	33,49,724

NDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

NOTES ON ACCOUNTS

26. Contingent Liabilities:

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Letter of Credit	2,01,91,207	1,38,47,048	2,69,69,780

27. Micro, Small and Medium Enterprises:

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence discloses, if any relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.

28. Post Retirement Benefit Plan:

Defined Contribution Plan

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

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund (In Rs.)	21,949	33,341

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. 17,537/- (PY 7,137/-) in the profit & Loss Account during the year ended 31 March 2018 under defined contribution plan.

(a) Change in the Fair Value of Plan Assets

(In Rs)

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Fair Value of Plan Assets as at the beginning	37,064	**1,70,306**
Investment Income	2,740	13,274
Employer's Contribution	88,270	-
Employee's Contribution	-	-
Benefits Paid	(46,154)	(1,39,039)
Return on plan assets, excluding amount Recognized in net interest expense	3,168	(7,477)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**85,088**	**37,064**

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

(b) Expenses Recognised in the Income Statement

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Current Service Cost	9,977	5,266
Past Service Cost	-	
Loss / (Gain) on settlement	-	
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	7,560	6,880
Expenses Recognised in the Income Statement	**17,537**	**7,137**

(c) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at the beginning	**1,32,471**	**2,58,576**
Current Service Cost	9,977	5,266
Interest Expense or cost	9,795	20,155
Re-measurement (or Actuarial)(gain)/loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(5,263)	2,380
- experience variance (i.e. Actual experience vs assumptions)	8,936	(14,867)
- others	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(46,154)	(1,39,039)
Acquisition Adjustment	-	-
Effect of Business combinations or disposals	-	-
Present Value of Obligation as at the end	**1,09,762**	**1,32,471**

(d) Bifurcation of Net Liability

Particulars	As on	
	31-Mar-18	31-Mar-17
Current Liability (Short term)	-	40,756
Non-Current Liability (Long term)	24,674	54,651
Net Liability	**24,674**	**95,407**

(e) Financial Assumptions

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

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.80%	7.40%
Salary growth rate (per annum)	7.00%	7.00%
Attrition /Withdrawal rate (per annum)	5.00%	5.00%
Mortality rate (% of IALM 0608)	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 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-18	31-Mar-17
Defined Benefit Obligation (Base)	1,09,762	1,32,471

Particulars	31-Mar-18		31-Mar-17	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1,23,616	98,064	1,39,073	1,26,777
(% change compared to base due to sensitivity)	12.60%	-10.70%	5.0%	-4.30%
Salary Growth Rate (- / + 1%)	97,881	1,23,588	1,26,708	1,39,034
(% change compared to base due to sensitivity)	-10.80%	12.60%	-4.40%	5.0%
Attrition Rate (- / + 50% of attrition rates)	1,06,970	1,11,783	1,31,898	1,32,901
(% change compared to base due to sensitivity)	-2.50%	1.80%	-0.40%	0.30%
Mortality Rate (- / + 10% of mortality rates)	1,09,732	1,09,732	1,32,466	1,32,476
(% 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.

29. Segment Reporting:

a. Primary Segment:
The company is primarily engaged in single business segment of trading of textile products and is managed as one business unit.

b. Secondary Segment (By Geographical Segment):

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

(In Rs)

Particulars	India	Outside India	Total
Sales	22,71,62,783	-	22,71,62,783
	(23,24,06,928)	-	(23,24,06,928)
*Segment Assets	7,92,95,798	-	7,92,95,798
	(2,26,76,924)	-	(2,26,76,924)

(Figures in bracket indicate previous year's figures)
*Segment Assets from outside India represents receivables from Export Sales outside India. In view of the interwoven / intermix nature of business and manufacturing facility, other information is not ascertainable.

30. 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 31st March 2018	As at 31st March 2017	As at 01st April 2016
Borrowing Bearing Fixed rate of interest	5,07,14,782/-	7,83,61,193/-	2,26,80,387/-

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 2018	As at 31st March 2017	As at 01st April 2016
0-6 months	7,36,73,777/-	1,89,77,959/-	2,83,32,938/-
Beyond 6 months	56,22,021/-	36,98,965/-	18,93,964/-
Total	**7,92,95,798/-**	**2,26,76,924/-**	**3,02,26,902/-**

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 31st March 2018				
Short term borrowing	5,07,14,782	-	-	5,07,14,782
Trade payabie	2,96,81,697	-	-	2,96,81,697
Other financial liability including other payable	-	-	-	-
As at 31st March 2017				
Short term borrowing	783,61,193	-	-	783,61,193
Trade payable	95,99,725	-	-	95,99,725
Other financial liability including other payable	-	-	-	-
As at 01st April 2016				
Short term borrowing	2,26,80,387	-	-	2,26,80,387
Trade payable	3,44,52,422	-	-	3,44,52,422
Other financial liability including other payable	-	-	-	/-

31. 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

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

Particulars	As at 31st March 2018	As at 31st March 2017	As at 01st April 2016
Net debt	5,07,14,782	783,61,193	2,26,80,387
Total Equity	9,84,20,481	9,94,23,027	9,93,93,220
Net debt to Total Equity	0.52	0.79	0.23

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

Particulars	31.03.2018	31.03.2017
Net Profit /(Loss) including exceptional item	(10,02,546)	29,806
Exceptional item	-	-
Net Profit /(Loss) excluding exceptional item	(10,02,546)	29,806
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	**(3.52)**	**0.10**
E.P.S. Including exceptional item	**(3.52)**	**0.10**

33. 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 31st March 2018			As at 31st March 2017			As at 01st April 2016		
	Carrying Amount	Level of input used in		Carrying Amount	Level of input used in		Carrying Amount	Level of input used in	
		L1	L2		L1	L2		L1	L2
Financial Assets at amortised cost									
Trade Receivable	7,92,95,798	-	-	2,26,76,924	-	-	3,02,26,902	-	-
Cash & Cash Equivalent	1,12,372	-	-	32,437	-	-	4,50,646	-	-
Financial Labilities									
Borrowings	5,07,14,782	-	-	7,83,61,193	-	-	2,26,80,387	-	-
Trade Payable	2,96,81,697	-	-	95,99,725	-	-	3,44,52,422	-	-

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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.

34. First Time adoption of IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 1st, 2017, with a transition date of 1st April, 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at
the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Optional Exemptions availed

Deemed Cost

The Company has opted paragraph D7 AA and accordingly considered the carrying value of property, plant and equipment's and Intangible assets as deemed cost as at the transition date.

B. Applicable Mandatory Exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

C. Transition to Ind AS - Reconciliations

I. Reconciliation of Balance sheet as at April 1, 2016 and March 31,2017

II. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

III. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017

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Vedanta Creations Ltd

Notes to financial statement for the year ended 31st March 2018

Reconcilation of Balance Sheet as at 31st March 2017 and 01st April 2016

(In. Rs.)

Particulars	As at 31st March 2017			As at 01st April 2016		
	Previous GAAP	Effect to transition to Ind AS	As per Ind As	Previous GAAP	Effect to transition to Ind AS	As per Ind As
I. ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	15,33,683		15,33,683	22,38,974		22,38,974
(b) Financial assets	50,00,000		50,00,000	50,00,000		50,00,000
(c) Deferred tax assets (net)	8,13,357	28,38,830	36,52,187	8,53,777	29,80,093	38,33,870
(d) Other non-current assets	20,08,125		20,84,287	24,35,494		22,73,169
2. Current assets						
(a) Inventories	1,42,32,623		1,42,32,623	1,47,63,974		1,47,63,974
(b) Financial assets						
(i) Trade receivable	2,26,76,924		2,26,76,924	3,02,26,902		3,02,26,902
(ii) Cash and cash equivalents	32,437		32,437	4,50,646		4,50,646
(iii) Bank balances other than cash & cash equivalents	1,37,52,056		1,37,52,056	2,00,19,755		2,00,19,755
(c) Other current assets	12,72,25,660		12,72,25,660	7,79,02,245		7,80,64,570
TOTAL ASSETS	**18,72,74,865**	**28,38,830**	**19,01,89,857**	**15,38,91,768**	**29,80,093**	**15,68,71,861**
II. EQUITY AND LIABLITIES						
1. Equity						
(a) Equity share capital	28,47,500		28,47,500	28,47,500		28,47,500
(b) Other equity	9,37,36,696	28,38,830	9,65,75,526	9,35,65,627	29,80,093	9,65,45,720
2. Liablities						
Non-current liablities						
(a) Provisions	-		-	-		-
3. Current liablities						
(a) Financial liablities						
(i) Borrowings	7,83,61,193		7,83,61,193	2,26,80,387		2,26,80,387
(ii) Trade payable	95,99,725		95,99,725	3,44,52,422		3,44,52,422
(b) Provisions	2,17,907		2,17,907	2,59,175		2,59,175
(c) Other current liablities	25,11,844		25,11,844	86,657		86,657
(d) Other current liablities	-		76,162			-
TOTAL EQUITY AND LIABLITIES	18,72,74,865	28,38,830	19,01,89,857	15,38,91,768	29,80,093	15,68,71,861

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

Vedanta Creations Ltd
Notes to financial statement for the year ended 31st March 2018
Reconcilation of statement of Profit & Loss for the yer ended 31st March 2017

(In. Rs.)

Particulars	Previous GAAP	Effect to transition to Ind AS	As per Ind As
INCOME			
Revenue from operations	23,24,06,928	-	17,40,17,438
Other Income	26,48,059	-	4,44,586
Total Revenue	23,50,54,987	-	17,44,62,024
EXPENSES			
Purchase of Stock-in-Trade	22,75,92,452	-	11,92,82,211
Changes in inventories of Stock-in-Trade	5,31,351	-	1,37,40,364
Employee benefit expense	2,75,081	-	1,19,82,131
Finance costs	22,14,184	-	12,16,346
Depreciation and amortization expense	7,05,291	-	1,81,562
Other expenses	33,49,724	-	2,25,61,497
Total Expenses	23,46,68,083	-	16,89,64,111
Profit/(Loss) before tax	3,86,904	-	54,97,913
Current tax	1,75,000	-	-
Deferred tax	40,420	1,81,683	2,22,103
Prior Period Tax Adjustments	415	-	-
Profit/(Loss) for the year	**1,71,069**	**(1,81,683)**	**52,75,810**
Total Comprehensive Income for the year	**1,71,069**	**(1,81,683)**	**52,75,810**

Reconcilation of equity

Particulars	As at 31st March 2017	As at 01st April 2016
Total Equity as per previous IGAAP	9,37,36,696	9,35,65,627
Ind AS Adjustment:		
Adjustment in Deferred Tax	28,38,830	29,80,093
Total Equity under IND AS	9,65,75,526	9,65,45,720

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

35. There are no foreign currency exposures that have not been hedged by any derivatives instrument or otherwise as on 31 March 2018.

36. 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	2017-2018	2016-2017
CIF Value of Imports	2,84,97,418	8,95,50,052

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

38. Information on Related Party Disclosure

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

Disclosure of transection between the Company and related Parties and status of outstanding balances as on 31st March 2018.

(In Rs.)

Particulars	2017-2018	2016-2017
Holding Company		
Bang Overseas Ltd		
Purchase of finished goods / raw materials etc.	6,15,91,053	7,28,29,038
Sale of finished goods/raw materials etc	1,00,05,017	-
Rent paid	88,008	86,254
Outstanding (Payable)/Receivable as on 31st March 2018	4,22,20,511	11,74,67,383
Key Managerial Persons (KMP)		
Raghavendra Bang		
Expenses recoverable	-	20,22,628
Outstanding Receivable as on 31st March 2018	36,98,000	36,98,000
Relatives of Key Managerial Persons		
Harshavardhan Bang		
Sale of finished goods/raw material etc	-	33,310
Outstanding (Payable)/Receivable as on 31st March 2018	11,333	11,333
Enterprises owned or significantly influenced by ket management personnel or their relatives		
Shree Balaji Fabrics		
Sale of finished goods/raw material etc	-	45,042
Outstanding Receivable as on 31st March 2018	-	45,042
Bang Brothers		
Sale of finished goods/raw material etc	-	19,586
Outstanding Receivable as on 31st March 2018	19,586	19,586

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

Rajendra Kumar Gupta
Partner
Membership No. 9939
Place : Mumbai
Date : 30th May 2018

For and on behalf of Board of Directors
Vedanta Creations Limited

Brijgopal Bang
Director
(DIN: 00112203)
Place : Mumbai
Date : 30th May 2018

Raghvendra Bang
Director
(DIN: 00356811)

RAJENDRA K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS