

INDEPENDENT AUDITOR'S REPORT

To the Members of Vedant Fashions Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Vedant Fashions Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Act 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 audit opinion on the standalone Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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

Responsibility of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) the Act with respect to the preparation of these standalone Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management 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 management 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 Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 Act, 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.



Other Matter

During the year, the National Company Law Tribunal ("NCLT") vide order dated 25th September 2018, sanctioned the Scheme of amalgamation of Rainbow Iron & Steel Suppliers Private Limited ("RISSPL") with the Company pursuant to the provisions of Sections 230 to 232 of the Companies Act 2013 read with Companies (Compromises Arrangements and Amalgamations) Rules, 2016 as stated in note 49(ii) to these standalone Ind AS financial statements.

The comparative financial information of the Company for the year ended March 31, 2018 includes financial information in respect of RISSPL as stated in note 49(ii) to these standalone Ind AS financial statements. These financial information of RISSPL are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 under Indian GAAP, audited by another auditor whose report for the year ended March 31, 2018 dated August 25, 2018 expressed an unmodified opinion on those standalone Indian GAAP financial statements as adjusted for the differences in transition to Ind AS applicable to the Company, which have been audited by us. The above financial statements have not been updated for any subsequent event from the date they were previously issued.

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 Act, we give in the Annexure- 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure - 2" to this report;
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 41 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjay Agarwal

Partner

Membership Number: 055833

UDIN: 19055833AAAAAF6326

Place of Signature: Kolkata

Date: July 24, 2019

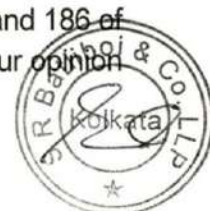


Annexure 1 to the Independent Auditors' Report (referred to in our report of even date to the members of Vedant Fashions Private Limited as at and for the year ended 31st March 2019)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company except for following immovable properties aggregating net block of Rs. 4,820.68 lacs as at 31st March 2019. As explained to us, registration of title deeds is in progress in respect of such immovable property.

Rs. In lacs		
Type of Property	Gross Block	Net Block
Building	4,805.31	4,283.53
Freehold Land	537.15	537.15
Total	5,342.46	4,820.68

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) (a) The Company has granted loans to one of its wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans, to one of its wholly owned subsidiary covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted. The payment of principal and interest has not fallen due in the current year.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to information and explanations given to us, there are no guarantees and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion



and according to the information and explanations given to us, provision of section 186 of the Companies Act 2013 in respect of investments made and loan given have been complied with by the Company.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, value added tax and cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu VAT Act, 2006	Levy of VAT on certain goods	5.58	2009-10 to 2011-12	Sales tax Appellate Tribunal
West Bengal VAT Act, 2005	Disallowance of claim of input tax credit	11.98	2011-12	West Bengal Commercial Taxes Appellate & Revision Board

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. Further, the Company did not have any outstanding dues to financial institution, government or debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer, debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.



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- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjay Agarwal

Partner

Membership Number: 055833

UDIN: 19055833AAAAAF6326

Place: Kolkata

Date: July 24, 2019



Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Vedant Fashions Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vedant Fashions Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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. 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 the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over



financial reporting with reference to these standalone Ind AS financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements 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 with reference to these standalone Ind AS financial statements 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 with Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, 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 with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Sanjay Agarwal

Partner

Membership Number: 055833

UDIN: 19055833AAAAAF6326

Place of Signature: Kolkata

Date: July 24, 2019



Vedant Fashions Private Limited
 Balance Sheet as at March 31, 2019
 (All amounts are in INR Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	8,507.81	14,895.51
(b) Capital work in progress	4	136.22	18.33
(c) Goodwill	5	1,571.08	1,571.08
(d) Other intangible assets	5	15,149.65	15,130.07
(e) Intangible assets under development	5	111.25	49.04
(f) Financial assets			
(i) Investments	6	2,528.78	11.00
(ii) Other financial assets	7	3,241.93	2,521.12
(g) Other non current assets	8	7,083.49	833.52
(h) Non-current tax assets (net)	9	1,339.10	459.45
Total non-current assets		39,669.31	35,489.12
Current assets			
(a) Inventories	10	8,959.73	8,773.92
(b) Financial assets			
(i) Investments	11	16,923.22	13,820.26
(ii) Trade receivables	12	33,737.05	32,186.02
(iii) Cash and cash equivalents	13	168.40	87.82
(iv) Bank Balances other than (iii) above	14	11,725.30	383.60
(v) Other financial assets	15	528.32	72.36
(c) Other current assets	16	2,991.47	3,047.68
Total Current assets		75,033.49	58,371.66
Assets held for sale	52	-	156.60
Total Assets		114,702.80	94,017.38
Continued..			



Vedant Fashions Private Limited
Balance Sheet as at March 31, 2019
(All amounts are in INR Lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	2,504.55	2,311.70
(b) Other equity	18	86,509.17	68,339.69
Total Equity		89,013.72	70,651.39
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Deposits	19	6,342.48	4,985.49
(b) Provisions	20	168.22	129.94
(c) Deferred tax liabilities (net)	21	1,275.03	160.07
(d) Other non-current liabilities	22	3,942.94	3,385.23
Total Non-current Liabilities		11,728.67	8,660.73
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	23	-	1,269.26
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	24	657.36	82.86
- total outstanding dues of creditors other than micro enterprises and small enterprises	24	5,294.61	4,227.54
(iii) Other financial liabilities	25	736.80	2,462.74
(b) Provisions	26	24.33	23.75
(c) Other current liabilities	27	7,247.31	6,639.11
Total current liabilities		13,960.41	14,705.26
Total liabilities		25,689.08	23,365.99
Total equity and liabilities		114,702.80	94,017.38
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the Standalone Ind AS financial statements
In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005



per Sanjay Agarwal
Partner
Membership No. 055833
UDIN - 19055833AAAAAF6326

Place: Kolkata
Date: July 24, 2019

Vedant Fashions Private Limited
For and on behalf of the Board of Directors


Ravi Modi
Managing Director
DIN : 00361853


Ajay Modi
Director
DIN : 02051641


Dalpat Raj Jain
Chief Financial Officer


Navin Pareek
Company Secretary

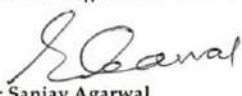


Vedant Fashions Private Limited
Statement of profit and loss for the year ended March 31, 2019
(All amounts are in INR Lacs, unless otherwise stated)

Particulars		Notes	For the year ended	
			March 31, 2019	March 31, 2018
Income:				
I	Revenue from operations	28	79,415.36	75,972.63
II	Other income	29	1,908.79	1,048.02
III	Total income (I + II)		81,324.15	77,020.65
IV Expenses:				
	Cost of materials consumed			
	- Raw materials	30A	7,420.83	6,978.33
	- Accessories & packing materials	30B	1,201.97	1,072.42
	Purchases of stock-in-trade	31	13,673.86	16,234.23
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	(64.86)	191.88
	Excise duty on sales		-	118.75
	Employee benefits expense	33	4,611.34	4,803.29
	Finance costs	34	434.99	603.84
	Depreciation and amortisation expense	35	846.40	959.30
	Other expenses	36	25,213.40	23,206.10
	Total expenses		53,337.93	54,168.14
V	Profit before tax (III-IV)		27,986.22	22,852.51
VI Tax expense/(credit):				
	-Current tax		8,639.36	6,847.51
	-Deferred tax charge		1,109.27	1,106.69
	-MAT Credit Entitlement		-	(20.34)
	-Charge/(credit) of earlier years		10.95	(23.39)
VII	Profit for the year (V-VI)		18,226.64	14,942.04
VIII Other comprehensive income/(loss) for the year				
Item that will not be subsequently reclassified to profit or loss				
	(a) Re-measurement gains on defined benefit obligations		16.25	36.66
	(b) Income tax effect on above		(5.68)	(10.23)
	Total other comprehensive income, net of tax		10.57	26.43
IX	Total comprehensive income for the year		18,237.21	14,968.47
X	Earnings per equity share (of Rs. 2 each)	37	14.55	12.19
	Basic and Diluted (in Rs. per share)			
	Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the Standalone Ind AS financial statements
In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005



per Sanjay Agarwal
Partner

Membership No. 055833

UDIN - 19055833AAAAAF6326

Place: Kolkata
Date: July 24, 2019

Vedant Fashions Private Limited
For and on behalf of the Board of Directors


Ravi Modi
Managing Director
DIN : 00361853


Ajay Modi
Director
DIN : 02051641


Dalpat Raj Jain
Chief Financial Officer


Navin Pareek
Company Secretary



Vedant Fashions Private Limited

Cash Flow Statement for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

Particulars	For the Year Ended	
	March 31, 2019	March 31, 2018
<u>A. Cash Flow from Operating Activities</u>		
Profit before tax	27,986.22	22,852.51
Adjustments for :		
Depreciation & amortisation expenses	846.40	959.30
Profit on sale/ discard of property, plant and equipment (net)	(82.81)	(251.89)
Interest income	(501.93)	(143.32)
Dividend income from mutual funds	(391.10)	(203.46)
Profit on sale of current investments	(763.54)	(290.14)
Profit on fair valuation of investments	(37.69)	(23.18)
Provision for doubtful debts & advances	22.79	-
Bad debts/advances written off	8.21	24.78
Unspent liabilities/provisions no longer required written back	(55.63)	(56.84)
Unrealised net loss on foreign currency transactions and translations	2.34	3.86
Finance costs	434.99	603.84
Operating profit before working capital charges	27,468.25	23,475.46
Movement in working capital:		
(Increase) in other financial assets	(519.40)	(1,141.03)
(Increase) in non financial assets	(9.58)	(1,968.76)
(Increase) in trade receivables	(1,584.36)	(13,360.34)
(Increase)/Decrease in inventories	(185.80)	962.74
Increase/(Decrease) in provisions	55.11	(56.23)
Increase in trade payables and others	2,174.12	4,445.76
Cash Generated from operations	27,398.34	12,357.60
Net Income taxes paid	(9,529.96)	(7,181.27)
Net cash flow from operating activities (A)	17,868.38	5,176.33
<u>B. Cash Flow from Investing Activities</u>		
Purchase of property, plant and equipments & intangible assets (including capital advances)	(853.78)	(15,769.95)
Sale of property, plant and equipments & intangible assets (including advance received)	278.04	1,152.81
Interest received	27.13	37.00
Dividend income from investments	391.10	203.46
Purchase of investments	(58,430.67)	(38,350.00)
Investment in subsidiary	-	(1.00)
Sale/redemption of current investments	53,801.87	24,824.32
Loan Given to subsidiary	(375.00)	-
Bank Balances not considered as cash and cash equivalents:		
- Deposits placed	(11,700.00)	(9,900.00)
- Deposits matured	360.00	9,900.00
Net cash used in investing activities (B)	(16,501.31)	(27,903.36)
<u>C. Cash flow from Financing Activities</u>		
Increase / (Decrease) in cash credit	(1,259.95)	403.43
Proceeds from short term borrowings	-	15,944.52
Repayment of short term borrowings	(9.31)	(15,935.20)
Finance costs paid	(17.23)	(445.29)
Equity shares issuance cost	-	(34.93)
Proceeds from fresh equity shares issuance	-	22,499.99
Dividend Paid	-	(78.23)
Net Cash flow from / (used) in financing activities (C)	(1,286.49)	22,354.29
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	80.58	(372.74)
Cash and Cash Equivalents at the beginning of the year	87.82	460.56
Cash and Cash Equivalents at the end of the year	168.40	87.82



Vedant Fashions Private Limited

Cash Flow Statement for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

Particulars	March 31, 2019	March 31, 2018
Components of Cash & Cash Equivalents (Refer Note 13)		
Balance with Banks	167.47	82.91
Cash on hand	0.93	4.91
Cash and Cash Equivalents as at the end of the year	168.40	87.82

The accompanying notes are an integral part of the Standalone Ind AS financial statements

In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Sanjay Agarwal

Partner

Membership no.: 055833

UDIN: 19055833AAAAAF6326

Place: Kolkata

Date: July 24, 2019

Vedant Fashions Private Limited

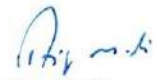
For and on behalf of the Board of Directors



Ravi Modi

Managing Director

DIN : 00361853



Ajay Modi

Director

DIN : 02051641



Dalpat Raj Jain

Chief Financial Officer



Navin Partek

Company Secretary



Vedant Fashions Private Limited
Statement of changes in equity for the year ended March 31, 2019
(All amounts are in INR Lacs, unless otherwise stated)

A Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	125,115,170	2,502.30	11,857,280	1,185.73
Add: Fresh issue of shares during the year pursuant to the scheme of amalgamation (Refer Note 49 (ii))	9,642,250	192.85	-	-
Add: Fresh issue of shares during the year	-	-	654,237	65.42
Add: Split of shares from Rs. 10 per share to Rs. 2 per share	-	-	50,046,068	-
Less: Equity Shares cancelled pursuant to the scheme of amalgamation	(9,530,000)	(190.60)	-	-
Add: Issue of shares pursuant to bonus during the year	-	-	62,557,585	1,251.15
Equity shares outstanding at the end of the year	125,227,420	2,504.55	125,115,170	2,502.30
Less: Equity Shares to be cancelled pursuant to the scheme of amalgamation	-	-	(9,530,000)	(190.60)
Net Equity shares outstanding at the end of the year	125,227,420	2,504.55	115,585,170	2,311.70

B Other equity

Particulars	Reserve and Surplus						
	Retained Earnings	Securities Premium	General Reserve	Capital Reserve*	Shares Pending Issuance*	Share Based Payment Reserve (Refer Note 50)	Total Reserves
Balance as at April 1, 2017	29,347.60 #	2,538.60	50.37	76.24	192.85	-	32,205.66
Profit for the year	14,942.04	-	-	-	-	-	14,942.04
Equity shares issued during the year	-	22,434.57	-	-	-	-	22,434.57
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and general reserve	-	(1,200.78)	(50.37)	-	-	-	(1,251.15)
Decrease due to transaction costs incurred for equity shares issued during the year	-	(34.93)	-	-	-	-	(34.93)
Cancellation of shares pursuant to the scheme of amalgamation (Refer Note 49 (ii))	-	95.30	-	-	-	-	95.30
Dividend Paid (including Corporate Dividend Tax)	(78.23)	-	-	-	-	-	(78.23)
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-
- Remeasurement of net defined benefit liability / asset (net of tax)	26.43	-	-	-	-	-	26.43
Balance as at March 31, 2018	44,237.84	23,832.76	-	76.24	192.85	-	68,339.69
Equity shares issued during the year	-	-	-	-	(192.85)	-	(192.85)
Profit for the year	18,226.64	-	-	-	-	-	18,226.64
Recognition of share based payment (Refer Note 50)	-	-	-	-	-	125.12	125.12
Other comprehensive income/(loss) for the year	-	-	-	-	-	-	-
- Remeasurement of net defined benefit liability / asset (net of tax)	10.57	-	-	-	-	-	10.57
Balance as at March 31, 2019	62,475.05	23,832.76	-	76.24	-	125.12	86,509.17

* Pending issuance of shares to the shareholders of Rainbow Iron and Steel Suppliers Private Limited pursuant to the scheme of amalgamation (Refer Note 49 (ii)). The same has been issued on December 21, 2018.

Includes Rs. 187.83 Lacs for difference in net assets taken over (including reserves) pursuant to the scheme of amalgamation and purchase consideration (Refer Note 49 (ii)).

The accompanying notes are an integral part of the Standalone Ind AS financial statements
In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Sanjay Agarwal
Partner
Membership No. 055833
UDIN: 19055833AAAAAF6326

Place: Kolkata
Date: July 24, 2019

Vedant Fashions Private Limited
For and on behalf of the Board of Directors


Ravi Modi
Managing Director
DIN : 00361853


Dalpat Raj Jain
Chief Financial Officer


Ajay Modi
Director
DIN : 02051641

Navin Pareek
Company Secretary



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

1. COMPANY OVERVIEW

Vedant Fashions Private Limited (the Company) is domiciled in India and incorporated on May 24, 2002 under the provisions of the Companies Act, 1956. The Company is primarily engaged in manufacturing and trading of readymade garments being men's ethnic wear like Sherwanis, Indo-Western, Kurtas, Suits etc. and women's ethnic wear like Lehanga, Saree, Suit, Kurti, etc. and related accessories. The Company mainly runs its business under the brand names Manyavar, Mohey and Mebaz. Registered office of the Company is located at A501-A502, 4th floor, SDF 1, Paridhan Garment Park, 19 Canal South Road, Kolkata- 700015.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements have been prepared under the historical cost convention on the accrual basis except the followings assets and liabilities which have been measured at fair value as required by the relevant Ind AS:-

- a) Certain financial assets and liabilities measured at fair value (refer accounting policies regarding financial instruments)
- b) Defined employee benefit plans
- c) Derivative financial instruments

These financial statements were approved vide the resolution of the Board of Directors on July 24, 2019.

b) Basis of fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

For other fair value related disclosures Refer Note 44.

c) Functional and presentation currency

These Ind AS financial statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals.

d) Application of new standards and amendments

Standards issued but not yet effective:

i. IND AS 116: Leases

Ind AS 116 'Leases' was notified in March 2019 and it replaces Ind AS 17 'Leases'. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

ii. Other Amendments

The MCA has notified below amendments which are effective April 1, 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures Based on Preliminary work



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

The Company does not expect these amendments to have any significant impact on its financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company has applied following accounting policies to all periods presented in these Ind AS financial statements.

a) Revenue Recognition

The Company has adopted Ind AS 115 Revenue from contracts with Customers with effect from April 1, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most of the current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. As per the Company's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognised reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Company has adopted the modified transitional approach as permitted by the standard under which the comparative financial information is not restated. The accounting changes required by the standard are not having material effect on the Company's financial statements and no transitional adjustment is recognised in retained earnings as at April 1, 2018. Additional disclosures as required by Ind AS 115 have been included in these financial statements.

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The performance obligations in our contracts are fulfilled at the time of delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable and a significant reversal will not occur.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section e - Financial instruments.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities at the end of each reporting period.

Export benefits

Export benefits are accounted on recognition of export sales.

Interest Income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend Income

Dividend income is recognized when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

b) Property, Plant and Equipment

(i) Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalised if the recognition criteria are met.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Capital work in progress

Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(iii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is provided on written down value method over the estimated useful lives of the assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013 except certain items of furniture as detailed in next paragraph.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful lives. The estimated useful lives are as follows:

• Buildings	30-60	years
• Computers	3	years
• Computers - Servers	6	years
• Plant and equipment	15	years
• Furniture and fixtures	5-10	years
• Vehicles	8	years
• Office equipment	5	years

Leasehold land is amortised over the period of lease i.e. 99 years.

The Company, based on technical assessment and management estimate, depreciates certain items of furniture over 5 years. These estimated useful life is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

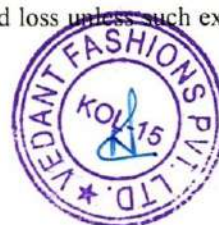
Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively, if appropriate.

c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets acquired in a business combination is valued at fair value at the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

The estimated useful lives of the intangible assets are as follows:-

- Software 3 years
- Trademark and Copyright 5-10 years
- Brand (acquired) Indefinite Life

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

d) Non-current assets 'Held for Sale'

The Company classifies non-current assets and disposal assets as held for sale if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

The criteria to classify an asset as 'Held for Sale' is considered met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification ,
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

e) Financial instruments

Initial recognition and measurement

i. Financial assets

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Classification and subsequent measurement

i. Financial assets

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

- (i) those to be measured at fair value through profit or loss; and
- (ii) 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.

Realised and unrealised gains/ losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" investment category are included in the statement of profit and loss in the period in which they arise.

ii. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method. For trade and other payables, the carrying amounts represents the fair value due to the short maturity of these instruments. Realised and unrealised gains/ losses arising from changes in the fair value of the "financial liabilities at fair value through profit or loss" are included in the statement of profit and loss in the period in which they arise.

iii. Investment in subsidiary

Investment in subsidiaries are carried at cost.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109- 'Financial Instruments'. A financial liability (or part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109- 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

f) Derivative financial instruments

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange the Company enters into forward contracts. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Inventories

- a. Raw materials, accessories and packing material are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, accessories and packing material is determined on First-in-First-out basis.
- b. Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads. Cost is determined on an annual weighted average basis using retail method.
- c. Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on an annual weighted average method.
- d. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- e. Obsolete, slow moving and defective inventories are identified and written down to net realisable value.

j) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k) Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

l) Employee benefit schemes

i) Post employment benefits

Defined Contribution Plans

The Company has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme, Employee's State Insurance and Employee's Pension Scheme, 1995. The Company contributes to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995, Employee's State Insurance Scheme and National Pension Scheme on behalf of its employees and has no further obligation beyond making its contribution. The Company's contributions to the above funds are recognised in the statement of profit and loss every year.

Defined Benefit Plans

The Company has defined benefit plans namely gratuity for all its employees. Liability for defined benefit plans is provided based on valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method. Actuarial losses and gains are recognised in other comprehensive income and shall not be reclassified to the statement of profit and loss in a subsequent period. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service costs.

ii) **Other Long term benefits**

The Company has other long term benefits namely compensated absences for all its employees. The liabilities in respect of compensated absences which are expected to be encashed / utilised before twelve months from the balance sheet date are short term. Other such liabilities are considered long term.

iii) **Share-Based Payments**

Selected employees of the Company receive part of the remuneration in the form of share-based payments in consideration of the services rendered. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value of the options at the grant date is calculated by an independent valuer on the basis Black Scholes model. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. When the options are exercised, the Company issues fresh equity shares.

iv) Termination benefits are recognised as an expense as and when incurred.

m) Foreign currency transactions

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events (such as bonus shares), split if any other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The management has considered that the Company has a single reportable segment based on nature of products, production process, regulatory environment, customers. Further, the Company is in a single business line, viz., "Manufacturing and distribution of branded fashion apparel and accessories".

p) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in Note 51.

q) Business combinations and goodwill

Business combinations, if any are accounted by using the acquisition method as per Ind AS 103 'Business Combination'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the net acquisition cost and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the net cost of acquisition, then the gain is recognised in Other Comprehensive Income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Company recognises the gain directly in equity as capital reserve, without routing the same through Other Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

Business Combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustments are made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonize accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

r) Provisions for liabilities, contingent liabilities and contingent assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

4. Property, Plant and Equipment¹

Particulars	Land-Freehold ²	Land-Leasehold ⁴	Buildings ²	Buildings-Leasehold	Plant and equipment	Furniture and fixtures	Computer	Office equipment	Vehicles	Total	Capital Work in Progress	Grand Total
Gross Block												
As at April 1, 2017	850.00	6,048.13	4,346.31	1,976.24	91.18	894.95	87.79	352.63	96.56	14,743.79	388.04	15,131.83
Additions	-	218.27	1,404.41	-	30.04	531.37	43.04	184.82	115.62	2,527.57	642.89	3,170.46
Additions through business acquisition (Refer Note 49 (i))	-	-	-	-	-	1.08	1.60	-	-	2.68	-	2.68
Deductions	-	-	-	(288.96)	(12.64)	(513.68)	(4.14)	(104.83)	-	(924.25)	-	(924.25)
Transfer	-	-	-	(172.98)	-	-	-	-	-	(172.98)	(1,012.60)	(1,012.60)
Other Adjustments ³	-	-	-	-	-	-	-	-	-	-	-	(172.98)
As at March 31, 2018	850.00	6,266.40	5,750.72	1,514.30	108.58	913.72	128.29	432.62	212.18	16,176.81	18.33	16,195.14
Additions	-	-	-	-	27.12	454.14	48.41	93.95	-	623.62	117.89	741.51
Deductions	-	(6,266.40)	-	(40.25)	(22.25)	(25.79)	(5.13)	(19.29)	(17.93)	(6,397.04)	-	(6,397.04)
As at March 31, 2019	850.00	-	5,750.72	1,474.05	113.45	1,342.07	171.57	507.28	194.25	10,403.39	136.22	10,539.61
Depreciation												
As at April 1, 2017	-	62.33	130.39	110.57	15.56	177.69	29.25	99.69	28.46	653.94	-	653.94
Charge for the year	-	71.11	260.33	112.70	14.26	208.10	39.59	146.36	56.65	909.10	-	909.10
Deductions	-	-	-	(25.80)	(2.22)	(175.43)	(2.06)	(59.85)	-	(265.36)	-	(265.36)
Other Adjustments ³	-	-	-	(16.38)	-	-	-	-	-	(16.38)	-	(16.38)
As at March 31, 2018	-	133.44	390.72	181.09	27.60	210.36	66.78	186.20	85.11	1,281.30	-	1,281.30
Charge for the year	-	17.50	260.75	84.59	16.40	231.93	45.70	125.68	38.75	821.30	-	821.30
Deductions	-	(150.94)	-	(4.31)	(7.97)	(14.05)	(3.76)	(14.53)	(11.46)	(207.02)	-	(207.02)
As at March 31, 2019	-	-	651.47	261.37	36.03	428.24	108.72	297.35	112.40	1,895.58	-	1,895.58
Net Block												
As at March 31, 2018	850.00	6,132.96	5,360.00	1,333.21	80.98	703.36	61.51	246.42	127.07	14,895.51	18.33	14,913.84
As at March 31, 2019	850.00	-	5,099.25	1,212.68	77.42	913.83	62.85	209.93	81.85	8,507.81	136.22	8,644.03

1) For Lien/ charge details against property, plant and equipment, Refer Note 23.1.

2) Title deed of Freehold land amounting to Rs. 537.15 lacs (Previous Year - Rs. 537.15 lacs) and building amounting to Rs.4,283.53 lacs (Gross block Rs. 4,805.31 lacs) (Previous Year - Gross Block - Rs. 4,805.31 lacs, Net block - Rs. 4,502.82 lacs) is yet to be executed in favour of the Company.

3) Other adjustments pertain to leasehold building being classified as assets 'Held for Sale' under Ind AS- 105 as at March 31, 2018. (Refer Note 52)

4) During the year, the Company has entered into development agreement with a real estate developer. Consequent to such agreement, the Company has transferred possession of the specified leasehold land against which the Company would receive a portion of constructed property. Accordingly, the Company has derecognised the leasehold land and considered it as capital advance, as the property is under construction as on the Balance Sheet date.



5. Intangible Assets

Particulars	Goodwill ^{1&2}	Other Intangible Assets				Intangible assets under development	Grand Total
		Computer software	Tenancy right	Trade Mark, Brand & Others ^{1&2}	Total		
Cost							
As at April 1, 2017	-	74.78	51.58	1.32	127.68	77.79	205.47
Additions	-	12.01	-	52.86	64.87	29.12	93.99
Additions through business acquisition (Refer Note 49 (i))	1,571.08	0.60	-	15,058.29	15,058.89	-	16,629.97
Deductions	-	(1.10)	-	(0.95)	(2.05)	-	(2.05)
Transfer	-	-	-	-	-	(57.87)	(57.87)
As at March 31, 2018	1,571.08	86.29	51.58	15,111.52	15,249.39	49.04	16,869.51
Additions	-	16.37	-	28.31	44.68	90.52	135.20
Deductions	-	-	-	-	-	(28.31)	(28.31)
As at March 31, 2019	1,571.08	102.66	51.58	15,139.83	15,294.07	111.25	16,976.40
Amortisation							
As at April 1, 2017	-	38.54	31.13	0.35	70.02	-	70.02
Charge for the year	-	24.16	20.45	5.59	50.20	-	50.20
Deductions	-	(0.90)	-	-	(0.90)	-	(0.90)
As at March 31, 2018	-	61.80	51.58	5.94	119.32	-	119.32
Charge for the year	-	15.39	-	9.71	25.10	-	25.10
Deductions	-	-	-	-	-	-	-
As at March 31, 2019	-	77.19	51.58	15.65	144.42	-	144.42
Net Block							
As at March 31, 2018	1,571.08	24.49	-	15,105.58	15,130.07	49.04	16,750.19
As at March 31, 2019	1,571.08	25.47	-	15,124.18	15,149.65	111.25	16,831.98

1) For goodwill and brand acquired during previous year, Refer Note 49 (i).

2) The Company has identified that its only reportable segment and Cash Generating Unit (CGU) is "Branded fashion apparel and accessories", to which the goodwill and brand (with indefinite life) acquired in previous year through acquisition of business, has been entirely allocated. The carrying amount of goodwill and brand as at March 31, 2019 is Rs. 1,571.08 Lacs and Rs. 15,058.29 Lacs respectively.

Following key assumptions were considered while performing Impairment testing:

Key Assumptions	March 31, 2019
Annual Growth rate for 5 years	5.00%
Weighted Average Cost of Capital % (WACC) before tax (Discount rate)	15.50%

The projections cover a period of five years, as the Company believes this to be the most appropriate time scale over which to review and consider annual performances and thereafter fixed terminal value has been considered. The growth rates used to estimate future performance are based on the estimates from past performance. Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company).

The goodwill and brand (with indefinite life) are tested for impairment and accordingly no impairment charges required to be recognised for March 31, 2019 (March 31, 2018 - Nil).

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value.



Vedant Fashions Private Limited

Notes to Financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

6 Financial assets - non current : Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted		
Investments in subsidiary companies at cost		
1,00,000 equity shares (March 31, 2018 - 1,00,000) of Rs. 10 each in Mohey Fashions Private Limited	10.00	10.00
10,000 equity shares (March 31, 2018 - 10,000) of Rs. 10 each in Manyavar Creations Private Limited	1.00	1.00
Quoted		
Investment in debentures at amortised cost		
HDB Financial Services Limited (250 units at par value of Rs 10,00,000 each) (March 31, 2018 - NIL)	2,517.78	-
Total	2,528.78	11.00
Aggregate market value of quoted investments	2,501.50	-

7 Financial assets - non current : Others
(unsecured, considered good, unless otherwise stated)
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	3,233.26	2,515.43
Less: Impairment allowance	(5.25)	-
	3,228.01	2,515.43
Bank deposits with maturity greater than 12 months	2.99	4.70
Interest accrued on fixed deposits	0.92	0.99
Loan to employees	2.12	-
Loan to Others	7.89	-
Total	3,241.93	2,521.12

8 Other non-current assets
(unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances (Refer Note 4.4)	6,184.18	-
Prepaid expenses	886.81	820.94
Balances with statutory / government authorities	12.50	12.58
Total	7,083.49	833.52

9 Non-current tax assets (net)
(unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Income Tax (net of provision)	1,339.10	459.45
Total	1,339.10	459.45

10 Inventories¹

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials (Refer Note 30A)	1,399.69	1,261.61
Accessories and packing material (Refer Note 30B)	367.53	331.60
Work in progress ² (Refer Note 32)	1,968.96	1,970.32
Finished goods ² (Refer Note 32) (Including in transit Rs. 10.76 (March 31, 2018: Rs. NIL))	2,436.15	2,502.05
Stock-in-trade ² (Refer Note 32) (Including in transit Rs. 12.29 (March 31, 2018: Rs. NIL))	2,787.40	2,708.34
Total	8,959.73	8,773.92

1) For details of Lien / Charge against the inventories, Refer Note 23.1

2) Inventory of raw materials, accessories and packing material, finished goods, work in progress and stock-in-trade includes inventory lying with third party amounting to Rs. 2,626.93 Lacs (March 31, 2018 - Rs. 2,365.30 Lacs)



11 Financial assets - Current : Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Quoted		
Investments in mutual funds at fair value through profit and loss		
Kotak Equity Arbitrage Fund - Direct Plan (1,68,54,524 units at par value of Rs 10 each) (March 31, 2018 - 1,68,54,524 units at par value of Rs 10 each)	3,967.37	3,970.59
Reliance Arbitrage Fund - Direct Plan (March 31, 2018 - 3,68,65,680 units at par value of Rs 10 each)	-	4,003.21
DSP BlackRock Liquidity Fund - Direct Plan (March 31, 2018 - 2,35,240 units at par value of Rs 1,000 each)	-	5,846.46
Kotak Liquid Direct Plan Growth (1,26,062 units at par value of Rs 10 each) (March 31, 2018 - NIL)	4,770.59	-
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan (1,30,362 units at par value of Rs 10 each) (March 31, 2018 - NIL)	391.66	-
Investment in debentures at amortised cost		
Kotak Mahindra Prime Limited (250 units at par value of Rs 10,00,000 each) (March 31, 2018 - NIL)	2,633.35	-
Unquoted		
Investment in debentures at amortised cost		
Housing Development Finance Corporation Limited (500 units at par value of Rs 10,00,000 each) (March 31, 2018 - NIL)	5,160.25	-
Total	16,923.22	13,820.26
Aggregate market value of quoted investments	11,767.11	13,820.26
Aggregate book value of unquoted investments	5,160.25	-

12 Financial Assets - Current : Trade receivables
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables¹		
- Receivables from related parties (Refer Note 43)	1,652.07	1,384.97
- Others	32,084.98	30,801.05
Total trade receivables	33,737.05	32,186.02
Breakup for Security Details:		
- Trade Receivables considered good - Secured ²	10,767.41	8,647.53
- Trade Receivables considered good - Unsecured	22,969.64	23,538.49
- Trade Receivables - credit impaired	38.79	25.04
	33,775.84	32,211.06
Impairment allowance (allowance for bad and doubtful debts)		
- Allowance for expected credit loss	(38.79)	(25.04)
Total trade receivables	33,737.05	32,186.02

1) For Lien/ charge details against trade receivables, Refer Note 23.1.

2) Receivables are secured against security deposits taken from the customers.

13 Financial assets - Current : Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks	167.47	82.91
Cash on hand	0.93	4.91
Total	168.40	87.82

14 Financial Assets - Current : Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with original maturity greater than 3 months but less than 12 months	11,725.30	383.60
Total	11,725.30	383.60



Vedant Fashions Private Limited

Notes to Financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

15 Financial assets - Current : Others
(unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
At amortised cost		
Interest accrued on fixed deposits	113.13	16.10
Interest accrued on loan to subsidiary (Refer Note 43)	9.82	-
Loan to subsidiary (Refer Note 43)	375.00	-
Loan to employees	0.96	-
Loan to others	10.45	28.83
Security deposits	17.39	27.43
At fair value through profit and loss		
Receivable towards forward contracts	1.57	-
Total	528.32	72.36

16 Other current assets
(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Export incentive receivables	24.94	5.81
Less: Impairment allowance	(3.79)	-
	21.15	5.81
Advances recoverable in cash or kind	168.72	143.97
Advance to employees	4.49	8.33
Prepaid expenses	448.03	449.27
Balances with statutory/ government authorities	149.08	135.56
Right of return assets ¹	2,185.37	2,132.31
Others	14.63	172.43
Total	2,991.47	3,047.68

(1) Right of return assets represents cost of expected sales return.



Vedant Fashions Private Limited

Notes to Financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

17 Equity Share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorized 150,500,000 equity shares of Rs. 2 each (March 31, 2018: 150,000,000 equity shares of Rs. 2 each)	150,500,000	3,010.00	150,000,000	3,000.00
Issued, subscribed and fully paid-up shares 125,227,420 equity shares of Rs. 2 each (March 31, 2018: 125,115,170 equity shares of Rs. 2 each) (Refer Note (ii) below)	125,227,420	2,504.55	125,115,170	2,502.30
Less: Equity Shares to be cancelled pursuant to the scheme of amalgamation	-	-	(9,530,000)	(190.60)
125,227,420 Equity shares of Rs. 2 each (March 31, 2018: 115,585,170 equity shares of Rs. 2 each)	125,227,420	2,504.55	115,585,170	2,311.70
Total	125,227,420	2,504.55	115,585,170	2,311.70

i) During the year ended March 31, 2019, the authorized share capital has increased from 150,000,000 equity shares of Rs. 2 each amounting to Rs. 3,000 Lacs to 150,500,000 equity shares of Rs. 2 each amounting to Rs. 3,010 Lacs pursuant to the scheme of amalgamation of Rainbow Iron & Steel Suppliers Private Limited with the Company as described in Note 49 (ii).

ii) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the reporting period :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	125,115,170	2,502.30	11,857,280	1,185.73
Add: Fresh issue of shares	-	-	654,237	65.42
Add: Fresh issue of shares during the year pursuant to the scheme of amalgamation (Refer Note 49 (ii))	9,642,250	192.85	-	-
Add: Split of shares from Rs. 10 per share to Rs. 2 per share	-	-	50,046,068	-
Less: Equity Shares cancelled pursuant to the scheme of amalgamation	(9,530,000)	(190.60)	-	-
Add: Issue of shares pursuant to bonus during the year	-	-	62,557,585	1,251.15
Equity shares outstanding at the end of the year	125,227,420	2,504.55	125,115,170	2,502.30
Less: Equity Shares to be cancelled pursuant to the scheme of amalgamation	-	-	(9,530,000)	(190.60)
Equity shares outstanding at the end of the year	125,227,420	2,504.55	115,585,170	2,311.70

iii) Details of shares held by each shareholder holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Modi Fiduciary Services Private Limited, trustee of Ravi Modi Family Trust	93,507,325	74.67%	84,829,300	73.39%
Ravi Modi HUF	20,084,045	16.04%	19,119,820	16.54%
Rhine Holdings Limited	9,018,580	7.20%	9,018,580	7.80%
Total	122,609,950	97.91%	112,967,700	97.73%

iv) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 2 each (March 31, 2018: Rs. 2 each). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the general meeting. The above shareholding represents legal ownership of shares.

In the event of liquidation of the Company, the equity shareholders shall be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by Rhine Holdings Limited and Kedaara Capital Alternative Investment Fund - Kedaara Capital AIF 1 carry certain customary rights and restrictions subject to specific trigger events.

v) Aggregate number of bonus shares issued and share issued for consideration other than cash during the period of 5 (Five) years immediately preceding the reporting date:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Aggregate number of fully paid bonus shares issued	62,557,585	62,557,585
Shares issued for consideration other than cash	9,642,250	-
	72,199,835	62,557,585



Vedant Fashions Private Limited

Notes to Financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

18 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Opening balance	44,237.84	29,347.60 #
Profit for the year	18,226.64	14,942.04
Other comprehensive income/(loss) for the year		
- Remeasurement of net defined benefit liability/ asset (net of tax)	10.57	26.43
Dividend Paid (including Corporate Dividend Tax) *	-	(78.23)
	62,475.05	44,237.84
Securities Premium		
Opening balance (Refer Note 49 (ii))	23,832.76	2,538.60
Equity shares issued during the year	-	22,434.57
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and general reserve	-	(1,200.78)
Transaction costs incurred for equity shares issued during the year	-	(34.93)
Cancellation of bonus shares pursuant to the scheme of amalgamation(Refer Note 49 (ii))	-	95.30
	23,832.76	23,832.76
General Reserve		
Opening balance	-	50.37
Equity shares allotted as fully paid bonus shares by capitalization of securities premium and general reserve	-	(50.37)
	-	-
Shares Pending Issuance (Refer Note 49 (ii))		
Opening balance	192.85	192.85
Shares issued during the year pursuant to scheme of amalgamation	(192.85)	-
	-	192.85
Capital Reserve (Refer Note 49 (ii))		
Opening balance	76.24	76.24
	76.24	76.24
Share based payment reserve (Refer Note 50)		
Recognition of share based payment under employee stock option plan	125.12	-
	125.12	-
Total	86,509.17	68,339.69

* Represents dividend paid by Rainbow Iron and Steel Suppliers Private Limited before amalgamation.

Includes Rs. 187.83 Lacs for difference in net assets taken over (including reserves) pursuant to the scheme of amalgamation and purchase consideration (Refer Note 49 (ii)).

Nature and purpose of reserves

General Reserve: Under the erstwhile Indian Companies Act 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Share based payment reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve.

Shares Pending Issuance: Pending issuance of shares to the shareholders of Rainbow Iron and Steel Suppliers Private Limited pursuant to the scheme of amalgamation as on March 31, 2018 (Refer Note 49 (ii)). The same has been issued to the shareholders on December 21, 2018.

Securities Premium: Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Act.

Capital Reserve: During amalgamation, the excess amount of the cancelled share capital of the Company over the investment by the amalgamating Company in the Company is treated as Capital Reserve in the Company's financial statements.



19 Financial liabilities - Non current : Deposits
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	6,342.48	4,985.49
Total	6,342.48	4,985.49

20 Non-current provisions

Particulars	As at March 31, 2019	As at March 31, 2018
For Employee Benefits - Gratuity (Refer Note 40)	168.22	129.94
Total	168.22	129.94

21 Deferred tax liabilities (net)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Assets		
Tax impact of expenses allowable against taxable income in future	87.86	63.39
Tax impact on provisions allowed on actual basis	1,488.57	1,412.46
Mat Credit Entitlement	-	20.34
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in property, plant and equipment and intangible assets	2,710.97	1,524.67
Tax impact on others	140.49	131.59
Net Deferred Tax liabilities	1,275.03	160.07

Particulars	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax	27,986.22	22,852.51
At India's statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	9,779.50	7,908.80
Adjustments in respect of current income tax of earlier years	10.95	(23.39)
Non-deductible income/(expenses) for tax purposes	(73.69)	13.12
Others	42.82	11.94
Tax expense reported in the statement of profit and loss	9,759.58	7,910.47

22 Other non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred income	3,942.94	3,385.23
Total	3,942.94	3,385.23

22.1 Under Ind AS, deposits taken are remeasured at amortised cost using the effective interest rate method. The difference between the transaction value of the deposit taken and amortised cost is regarded as deferred income and recognised as revenue uniformly over the agreement period. Interest expense, measured by the effective interest rate method is accrued.



Vedant Fashions Private Limited

Notes to Financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

23 Financial liabilities - Current : Borrowings
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
From banks		
- Cash credit (repayable on demand) (Unsecured) ⁽ⁱ⁾	-	1,259.95
- Short term loan (secured) ⁽ⁱⁱ⁾	-	9.31
Total	-	1,269.26

23.1 (i) Cash Credit facility carries interest ranging from 9.35% p.a to 9.50% p.a as on March 31, 2019 (March 31, 2018: 8.90% p.a to 10.15% p.a). Cash credit facility was secured upto February 5, 2019 post which the same has become unsecured. It was secured by hypothecation charge on all movable property, plant and equipment and current assets of the company. Following immovable assets were also mortgaged for cash credit facility upto February 5, 2019:-

a) Leasehold property of Paridhan Garment Park, 19 Canal south Road, SDF-4 D201 to D204, Kolkata-700015 was mortgaged with Kotak Mahindra Bank for cash credit limit.

b) Land at EIGMEF Apparel park was mortgaged with HDFC Bank for the cash credit limit.

(ii) Loan was repayable by an equated monthly instalment of Rs. 9.31 Lacs and was secured by hypothecation charge on vehicle of the Company purchased from loan proceeds.

24 Financial liabilities - Current : Trade payables
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 24.1 for details of dues to micro, small and medium enterprises)	657.36	82.86
	657.36	82.86
- Dues to related parties (Refer Note 43)	-	1.37
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,294.61	4,226.17
	5,294.61	4,227.54
Total	5,951.97	4,310.40

24.1 Information in terms of Section 22 of Micro, Small and Medium enterprises Development Act, 2006(MSMED) are given below:

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	657.36	82.86
(ii) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0.54	0.24
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	1.01	0.54
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-



Vedant Fashions Private Limited

Notes to Financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

25 Financial liabilities - Current : Others

Particulars	As at March 31, 2019	As at March 31, 2018
At amortised cost		
Payable towards business acquisition	-	2,106.11
Interest accrued and due on security deposits	-	4.80
Employees related liabilities	602.99	217.60
Payables to capital creditors	27.42	-
Interest payable on micro, small and medium enterprises (Refer Note 24.1)	1.01	0.54
Security deposits	105.38	131.00
At fair value through profit and loss		
Payable towards forward contract	-	2.69
Total	736.80	2,462.74

26 Current : Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
For Employee benefits		
- Gratuity (Refer Note 40)	24.33	23.75
Total	24.33	23.75

27 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liability - Advance from customers	86.89	75.71
Refund liabilities ¹	6,271.05	5,802.25
Advance received towards sale of property, plant & equipment	-	240.88
Statutory dues	204.22	276.91
Interest payable on income tax	-	7.54
Deferred income (Refer Note 22.1)	685.15	235.82
Total	7,247.31	6,639.11

(1) Refund liabilities represents provision for expected sales return.



28 Revenue from operations

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Sale of products	79,292.14	75,859.88
Other operating revenue:		
(i) Scrap sales	12.80	17.08
(ii) Insurance charges recovery	42.69	55.13
(iii) Export incentives	67.73	40.54
Revenue from operations	79,415.36	75,972.63

Sale of products includes excise duty of Nil (March 31, 2018 : Rs. 118.75 Lacs). Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, Revenue is disclosed net of GST as per requirement of Ind AS 115 'Revenue from Contracts with Customers'.

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers based on geography:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
India	78,450.83	75,278.42
Outside India	964.53	694.21
Total revenue from contracts with customers	79,415.36	75,972.63

Reconciliation of Revenue from operations with contract price

Particulars	For the year ended March 31, 2019
Contract Price	78,795.35
Add: Impact of deferred income (Refer Note 22.1)	496.79
Add: Others	123.22
Total revenue from operations	79,415.36

Performance obligation

Revenue is recognized when control of products is transferred to customers i.e. upon delivery.

29 Other income

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Interest income on		
- Bank deposits	122.89	31.57
- Loans	16.12	6.39
- Debentures	190.72	-
- Others	172.20	105.36
Dividend income from mutual funds	391.10	203.46
Profit on sale of investments	763.54	290.14
Profit on fair valuation of investments carried at FVTPL	37.69	23.18
Profit on sale of property, plant & equipment (net)	82.81	251.89
Gain on foreign exchange fluctuations (net)	-	16.67
Liabilities/provisions no longer required written back	55.63	56.84
Insurance claims	17.43	22.28
Other miscellaneous income	58.66	40.24
Total	1,908.79	1,048.02



30 Cost of materials consumed

A. Raw materials

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Inventory at the beginning of the year	1,261.61	921.72
Add: Purchases during the year	7,558.91	7,318.22
	8,820.52	8,239.94
Less: Inventory at the end of the year (Refer Note 10)	1,399.69	1,261.61
Total	7,420.83	6,978.33

B. Accessories & packing material

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Inventory at the beginning of the year	331.60	268.19
Add: Purchases during the year	1,237.90	1,135.83
	1,569.50	1,404.02
Less: Inventory at the end of the year (Refer Note 10)	367.53	331.60
Total	1,201.97	1,072.42

31 Purchases of stock-in-trade

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Purchases of stock-in-trade	13,673.86	11,330.47
Acquired through business acquisition (Refer Note 49 (i))	-	4,903.76
Total	13,673.86	16,234.23

32 Changes in inventories of finished goods, work-in-progress & stock-in-trade

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Inventory at the end of the year (Refer Note 10)		
Finished goods	2,436.15	2,502.05
Work in progress	1,968.96	1,970.32
Stock-in-trade	2,787.40	2,708.34
	7,192.51	7,180.71
Inventories at the beginning of the year		
Finished goods	2,502.05	3,736.18
Work in progress	1,970.32	1,285.49
Stock-in-trade	2,708.34	3,525.10
	7,180.71	8,546.77
Less: Right of return assets	(11.80)	1,366.06
	53.06	1,174.18
Changes in inventories of finished goods, work-in-progress & stock-in-trade	(64.86)	191.88

33 Employee benefits expense

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Salaries, wages and bonus (including Directors' remuneration) (Refer Note 43)	4,201.09	4,517.81
Contribution to provident and other funds	129.14	129.21
Gratuity expense (Refer Note 40)	60.80	78.03
Staff welfare expenses	95.19	78.24
Share based compensation (Refer Note 50)	125.12	-
Total	4,611.34	4,803.29

34 Finance cost

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Interest expense:		
- on income tax	-	7.58
- others	434.99	565.42
Other borrowing costs	-	30.84
Total	434.99	603.84



Vedant Fashions Private Limited

Notes to Financial statements for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

35 Depreciation and amortisation expense

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Tangible assets (Refer Note 4)	821.30	909.10
Intangible assets (Refer Note 5)	25.10	50.20
Total	846.40	959.30

36 Other expenses

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Job charges	5,776.31	5,650.88
Electricity charges	103.45	209.48
Lease cost	9,100.85	7,356.06
Rates and taxes	237.23	203.63
Increase/(decrease) in excise duty on inventory	-	(141.95)
Loss on foreign exchange fluctuations (net)	3.06	-
Insurance	85.67	56.16
Repairs and maintenance		
- Plant and machinery	0.32	1.34
- Others	42.14	117.16
Legal & professional fees	558.04	539.05
Travelling and conveyance	229.56	147.02
Donations and charity	2.16	4.20
Payment to auditors (Refer Note 38)	36.25	35.22
Provision for doubtful debts & advances	22.79	-
Bad debts/advances written off	8.21	24.78
Corporate social responsibility expenditure (Refer Note 39)	357.50	267.50
Selling and distribution expenses		
- Advertisement, publicity and sales promotion expenses	6,651.25	6,647.64
- Commission	477.45	992.87
- Freight and forwarding expenses	599.97	517.06
Miscellaneous expenses	921.19	578.00
Total	25,213.40	23,206.10

37 Earnings per share (EPS)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Net profit/(loss) after tax for the year	18,226.64	14,942.04
Weighted average number of ordinary shares (No. in Lacs)	1,252.27	1,225.93
Nominal value of ordinary share (Rs. in Lacs) (Refer Note 17)	2,504.55	2,311.70
Basic and Diluted earnings for ordinary shares (in Rs. per share)	14.55	12.19

38 Payment to Auditors

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
As statutory auditors :		
Audit fees	22.50	22.22
Tax audit fees	4.00	3.50
Reimbursement of expenses	1.75	-
In other Capacity :		
Other services	8.00	9.50
Total	36.25	35.22

39 Corporate social responsibility expenditure

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Gross amount to be spent by the Company during the year	357.27	265.84
b) Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	357.50	267.50
Total	357.50	267.50



40 Employee benefits

(I) Defined contribution plan

In accordance with The Employees Provident Funds and Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2019 and 2018) of an employee's basic salary. Retirement benefit in the form of provident fund and employees' state insurance (ESI) are defined contribution scheme and the contributions are charged to statement of profit and loss of the year when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

(II) Defined benefit plan - Unfunded

In accordance with the Payment of Gratuity Act, 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") for employees who have completed 5 years of service. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

A Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation as at and for the year ended are as follows:

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.69%	7.71%
Expected rate of increase in compensation level of covered employees	7.00%	7.00%

The estimates of future salary increase considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

B Details of Actuarial Valuation carried out on Balance Sheet date are as under:

Amount recognised in the balance sheet consists of:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligations	192.55	153.69
Net liability arising from defined benefit obligations	192.55	153.69

Amounts recognised in statement of profit or loss in respect of gratuity scheme are as follows:

Particulars	March 31, 2019	March 31, 2018
Current service cost	49.20	40.30
Past service cost	-	26.95
Net interest cost	11.60	10.78
Total charge to statement of profit or loss	60.80	78.03

Amounts recognised in the statement of comprehensive income are as follows:

Remeasurement of the net defined benefit obligation:-

Particulars	March 31, 2019	March 31, 2018
Re-measurement losses / (gains) arising from changes in financial assumptions	0.56	(8.48)
Re-measurement losses / (gains) arising from unexpected experience	(16.81)	(28.18)
Re measurement of the net defined benefit liability	(16.25)	(36.66)

The movement during the year of the present value of the defined benefit obligation was as follows:

Particulars	March 31, 2019	March 31, 2018
As at April 1	153.69	173.25
Current service cost	49.20	40.30
Past Service Cost	-	26.95
Interest cost of scheme liabilities	11.60	10.78
Benefits (paid)	(5.69)	(55.12)
Transfer of Obligation	-	(9.77)
Acquisition Adjustment	-	3.96
Re-measurement losses/ (gains) arising from changes in demographic assumptions	-	-
Re-measurement losses / (gains) arising from changes in financial assumptions	0.56	(8.48)
Re-measurement losses / (gains) arising from unexpected experience	(16.81)	(28.18)
As at March 31	192.55	153.69
Recognised under:		
Current provision	24.33	23.75
Non current provision	168.22	129.94

The gratuity scheme of the Company is unfunded hence there was no plan asset as at March 31, 2019 and March 31, 2018.



C Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Increased / (Decreased) defined benefit obligation

Particulars	March 31, 2019	March 31, 2018
Discount rate		
Increase by 0.50%	179.13	142.95
Decrease by 0.50%	207.49	165.65
Expected rate of change in compensation level of covered employees		
Increase by 0.50%	205.19	163.76
Decrease by 0.50%	181.06	144.94
Mortality Rate		
Increase by 0.50%	194.02	154.87
Decrease by 0.50%	191.09	152.50
Attrition Rate		
Increase by 0.50%	193.05	154.09
Decrease by 0.50%	192.05	153.28

The above sensitivity analysis may not be representative of the actual 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.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

D Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

(1) Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. Salary increase considered @ 7%. As such, an increase in the salary of the plan participants will increase the plan's liability.

(2) Life expectancy / Longevity risks

The present value of the defined benefit plan liability is calculated by reference to the best estimates of the mortality of plan participants both during and after their employment. Mortality tables as per Indian Assured Lives Mortality (2006-08) Ult. is used for during the employment and post retirement respectively. An increase in the life expectancy of the plan participants will increase the plan's liability.

(3) Interest rate risks

A decrease in the bond interest rate will increase the plan liability.

(4) Inflation risks

The present value of the defined benefit plan liability is calculated using 7.69% inflation rate. As such, a decrease in the inflation rate will increase the plan's liability.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

41 Contingent Liabilities And Commitments

In the normal course of business, the Company enters into certain capital commitments.

(i) **Commitments**

As at March 31, 2019	As at March 31, 2018
-------------------------	-------------------------

(a) **Capital**

Estimated amount of contracts remaining to be executed on capital account

10.40	6.80
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(ii) **Contingencies**

As at March 31, 2019	As at March 31, 2018
-------------------------	-------------------------

(a) **Demands/claims by various government authorities and other claims not acknowledged as debts:**

i. Commercial sales tax of various states	23.07	22.06
ii. Demand for professional tax and employee state insurance	51.61	51.61
Total	74.68	73.67

Payment made under protest against the above	12.50	12.58
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There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to the interpretation of contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

42 Leases

The lease rental charged during the year is as under:

Particulars	For the Year Ended	
	March 31, 2019	March 31, 2018
a) Operating lease rentals charged to revenue	8,907.41	7,223.33
b) Variable rentals charged to revenue:		
Variable rent for certain stores is payable in accordance with the lease agreement as the higher of (a) fixed minimum guarantee amount and (b) revenue share percentage	193.44	132.73
Total	9,100.85	7,356.06

The obligations on long-term, non-cancellable operating leases payables as per the rentals stated in the respective agreements are as follows:-

Future minimum lease payable	As at	
	March 31, 2019	March 31, 2018
Not later than 1 year	1,408.98	1,270.02
Later than 1 year and not later than 5 years	1,095.65	1,194.06
Later than 5 years	-	45.47
Total	2,504.63	2,509.55

The operating lease arrangements are renewable on a periodic basis. The basis of extension depends on mutual agreement. These lease arrangements have price escalation clauses.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

43 Related party disclosures

(A) Name of Related Parties

i. Subsidiaries:

Mohey Fashions Private Limited - Wholly owned subsidiary (w.e.f. October 3, 2016)
Manyavar Creations Private Limited - Wholly owned subsidiary (w.e.f. April 27, 2017)

ii. Enterprise controlling the Company:

Modi Fiduciary Services Private Limited, trustee of Ravi Modi Family Trust

iii. Other related parties and related party relationships with whom transactions have taken place during the year:

Mr. Ravi Modi - Managing Director	Key Managerial Person (KMP)
Mrs. Shilpi Modi - Whole-time Director	Key Managerial Person (KMP)
Mrs. Usha Devi Modi - Whole-time Director	Key Managerial Person (KMP)
Mr. Ajay Modi - Whole-time Director	Key Managerial Person (KMP)
Mr. Dalpat Raj Jain - Chief Financial Officer	Key Managerial Person (KMP) (w.e.f. April 18, 2018)
Mr. Navin Pareek - Company Secretary	Key Managerial Person (KMP)
Ms. Kavita Modi	Relative of KMP
Mrs. Suruchi Bagla	Relative of KMP
Mrs. Vandana Tikmani	Relative of KMP
Manas Foundation (Trust)	Enterprises owned or significantly influenced by KMP
Shenayah Retail Stores Private Ltd	Enterprises owned or significantly influenced by the relative of KMP
Priyanka Apparels	Enterprises owned or significantly influenced by the relative of KMP
Vandana Enterprise	Enterprises owned or significantly influenced by the relative of KMP
Pranit Fashions	Enterprises owned or significantly influenced by the relative of KMP

(B) Details of transactions with related parties

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Purchase of stock-in-trade		
Priyanka Apparels	-	27.74
Total	-	27.74
Finance cost		
Vandana Tikmani	-	0.16
Total	-	0.16
Rent expense		
Kavita Modi	2.40	2.40
Shilpi Modi	3.00	3.00
Total	5.40	5.40
Purchase/Investment in subsidiary's equity shares		
Manyavar Creations Private Limited	-	1.00
Total	-	1.00
Sale of products (including taxes)		
Manyavar Creations Private Limited	1,599.17	1,438.05
Shenayah Retail Stores Private Limited	1,959.86	1,709.61
Pranit Fashions	77.63	95.43
Priyanka Apparels	-	0.29
Vandana Enterprise	1,107.22	336.93
Total	4,743.88	3,580.31
Rent income (including taxes)		
Mohey Fashions Private Limited	0.71	0.71
Manyavar Creations Private Limited	0.71	0.71
Total	1.42	1.42
Recovery of expenses (including taxes)		
Manyavar Creations Private Limited	8.29	10.61
Mohey Fashions Private Limited	0.04	-
Vandana Enterprise	4.50	0.28
Pranit Fashions	0.14	-
Total	12.97	10.89
Reimbursement of Expenses		
Pranit Fashions	-	0.96
Shenayah Retail Stores Private Limited	1.38	13.29
Manyavar Creations Private Limited	90.54	-
Total	91.92	14.25
Corporate social responsibility expenditure		
Manas Foundation	177.50	121.25
Total	177.50	121.25
Loan to Subsidiary (repayable on demand)		
Manyavar Creations Private Limited	375.00	-
Total	375.00	-
Interest income on Loan to Subsidiary		
Manyavar Creations Private Limited	10.91	-
Total	10.91	-
Gratuity liabilities transfer to		
Manyavar Creations Private Limited	-	9.77
Total	-	9.77
Sale of Property, plant & equipment and Intangibles assets (including taxes)		
Manyavar Creations Private Limited	-	60.64
Total	-	60.64



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Security Deposit refunded		
Vandana Tikmani	-	7.50
Total	-	7.50
Commission Expense		
Vandana Tikmani	-	0.54
Total	-	0.54
Personal Guarantee taken:		
Ravi Modi, Shilpi Modi, Usha Devi Modi, Ajay Modi (upto June 20, 2017)	-	974.29
Total	-	974.29

The receivables from and payables to related parties as at March 31, 2019 and March 31, 2018 are set out below:

		As at	As at
		March 31, 2019	March 31, 2018
Receivable from:			
Manyavar Creations Private Limited	Trade receivables	506.71	548.42
Manyavar Creations Private Limited	Loan receivable	375.00	-
Manyavar Creations Private Limited	Interest receivable	9.82	-
Shenayah Retail Stores Private Limited	Trade receivables	800.68	690.89
Vandana Enterprise	Trade receivables	343.93	145.66
Mohey Fashions Private Limited	Trade receivables	0.75	-
Total		2,036.89	1,384.97
Payable to:			
Ajay Modi	Salary payable	-	1.37
Total		-	1.37

(C) Remuneration of key management personnel

The remuneration of key management personnel and a relative of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 'Related party disclosures'.

	For the year ended	
	March 31, 2019	March 31, 2018
Salary & Allowances*		
Ravi Modi	949.97	1,340.00
Shilpi Modi	474.99	810.00
Usha Devi Modi	48.00	48.00
Ajay Modi	96.00	84.00
Total Directors' Remuneration	1,568.96	2,282.00
Dalpat Raj Jain	88.99	-
Navin Pareek	11.34	11.34
Suruchi Bagla	-	4.37
Total Other	100.33	15.71

* Salary & Allowances exclude amount towards performance linked pay and retirement benefits



44 Financial Instruments

Financial risk management objectives and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the Balance Sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in Note 3.

1 Financial assets and liabilities as at

Particulars	Carrying Value/ Fair Value	
	As at March 31, 2019	As at March 31, 2018
(i) Financial Assets		
a) Measured at Cost		
Investment in Unquoted equity Shares	11.00	11.00
b) Measured at FVTPL		
Investments in mutual funds	9,129.62	13,820.26
Receivable towards forward contract	1.57	-
c) Measured at Amortised Cost*		
Security deposits given	3,245.40	2,542.86
Investments in Debentures	10,311.38	-
Interest accrued on fixed deposits and loan	123.87	17.09
Trade receivables	33,737.05	32,186.02
Cash & cash equivalents	168.40	87.82
Other bank balances	11,728.29	388.30
Loan Given	396.42	28.83
Total	68,853.00	49,082.18
(ii) Financial Liabilities		
a) Measured at FVTPL		
Payable towards forward contract	-	2.69
b) Measured at Amortised Cost*		
Security deposits	6,447.86	5,116.49
Current borrowings	-	1,269.26
Trade payables	5,951.97	4,310.40
Other financial liabilities	631.42	2,329.05
Total	13,031.25	13,027.89

* Carrying value of assets/ liabilities carried at amortized cost are reasonable approximation of its fair values.

45 Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Particulars	Fair Value measuring at the end of the reporting period using			As at March 31, 2019
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds	9,129.62	-	-	9,129.62
Receivable towards forward contracts	-	1.57	-	1.57
Total	9,129.62	1.57	-	9,131.19
Fair Value measuring at the end of the reporting period using				
As at March 31, 2018				
Particulars				
Financial assets				
Investments in mutual funds	13,820.26	-	-	13,820.26
Total	13,820.26	-	-	13,820.26
Financial Liabilities				
Payable towards forward contracts	-	2.69	-	2.69
Total	-	2.69	-	2.69

a) The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants.

b) Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered approximate to the fair value.

c) Trade receivables, cash and cash equivalents, other bank balances, loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair value of investments in mutual funds are on the basis of net asset value as declared by mutual fund house as on the Balance Sheet date.

d) There has been no transfer between level 1, level 2 and level 3 during the above period.



46 Financial Risk Management

The Company's activities expose it to variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is commodity price risk. The Company uses forward contracts to mitigate foreign exchange related risk exposures.

a) Market Risk

The Company operates both in domestic and international market and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries. The Company holds forward contracts such as foreign exchange forwards to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyses foreign currency risk from financial instruments:

Particulars	As at March 31, 2019	As at March 31, 2018
Exposure Currency (USD)		
Trade receivables (INR in Lacs)	166.71	182.96

For the year ended March 31, 2019 and March 31, 2018, every percentage appreciation in the exchange rate between the Indian rupee and USD, would increase the Company's profit before tax by approx Rs. 1.66 Lacs and Rs. 1.83 Lacs respectively.

Derivative Financial Instruments

The Company holds forward contracts such as foreign exchange forwards to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 1 year		
Forward contract - to cover export receivables (Amount in USD)	2.08	2.76

b) Commodity Price Risk

The Company is affected by price volatility of its key raw materials and traded goods. Its operating activities requires a continuous supply of key material for manufacturing products. The Company's procurement department continuously monitor the fluctuation in price and take necessary action to minimize its price risk exposure.

c) Security Price Risk

The Company's businesses are subject to certain risks and uncertainties including financial risks. Company has invested in debentures and liquid schemes of mutual funds. To manage its price risk arising from investments, the Company diversifies its portfolio. The investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

d) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 33,737.05 Lacs and Rs. 32,186.02 Lacs as at March 31, 2019 and March 31, 2018 respectively. Trade receivable includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Company through taking security deposits from customers, credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

The ageing analysis of the receivables has been considered from the invoice date.

Trade Receivables	As at March 31, 2019	As at March 31, 2018
Less than 30 days	7,706.16	10,563.38
31 to 90 days	20,234.73	15,819.32
91 to 180 days	4,988.48	5,229.31
More than 180 days	807.68	574.01
Total	33,737.05	32,186.02

Above figures include secured debtors amounting to Rs.10,767.41 Lacs and Rs. 8,647.53 Lacs as at March 31, 2019 and March 31, 2018 respectively.

e) Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds and debentures. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities.

Particulars	As at March 31, 2019	As at March 31, 2018
Less than 1 year		
Borrowings	-	1,269.26
Trade payables	5,951.97	4,310.40
Other financial liabilities	736.80	2,462.74
	6,688.77	8,042.40
More than 1 year		
Other financial liabilities	6,342.48	4,985.49
	6,342.48	4,985.49
Total	13,031.25	13,027.89



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

*(All amounts are in INR Lacs, unless otherwise stated)***47 Capital Management**

The Company's capital management is driven by its policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is defined as current and non-current borrowings (including current maturities of long term debt and interest accrued) less cash and cash equivalents and current investments.

Particulars	As at March 31,	
	2019	2018
Share capital	2,504.55	2,311.70
Other equity	86,509.17	68,339.69
Equity (A)	89,013.72	70,651.39
Cash and cash equivalents	168.40	87.82
Current investments	16,923.22	13,820.26
Other bank balances	11,725.30	383.60
Total fund (B)	28,816.92	14,291.68
Current borrowings	-	1,269.26
Total debt (C)	-	1,269.26
Net debt (D=(C-B))	(28,816.92)	(13,022.42)
Total capital (equity + net debt)	60,196.80	57,628.97
Net debt to equity ratio (E=D/A)	-	*

* Net debt is negative and hence not applicable.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

48 Segment Reporting :

The geographical information considered for disclosure are - India and Overseas

Particulars	Revenue from Operations	
	For the year ended March 31, 2019	For the year ended March 31, 2018
India	78,450.83	75,278.42
Overseas	964.53	694.21
Total	79,415.36	75,972.63

The following table shows the carrying amount of segment assets by geographical area to which these areas are attributable :

Particulars	Carrying amount of assets*	
	As at March 31, 2019	As at March 31, 2018
India	113,196.99	93,374.97
Overseas	166.71	182.96
Total	113,363.70	93,557.93

* Carrying amount of assets is excluding tax assets.



Vedant Fashions Private Limited**Notes to the financial statements as at and for the year ended March 31, 2019***(All amounts are in INR Lacs, unless otherwise stated)***49 Business Combination****i) Acquisition of "Mebaz" business during the year ended March 31, 2018 under slump sale transaction**

During the previous year, the Company acquired business undertaking from New Meena Bazaar International Private Limited (NMBIPL) as a going concern on a slump sale basis for lumpsum consideration. NMBIPL markets its apparel under the brand name "Mebaz".

The fair value of "Mebaz" brand amount to Rs. 15,058.29 Lacs. Brand was valued by using comparable transaction method under the income approach. This valuation method was based on the application of a royalty rate to forecasted revenue from the Brand. Goodwill arising on such acquisition was Rs. 1,571.08 Lacs.

ii) Amalgamation of Rainbow Iron & Steel Suppliers Private Limited with the Company

The National Company Law Tribunal ("NCLT") vide order dated September 25, 2018, sanctioned the Scheme of amalgamation of Rainbow Iron & Steel Suppliers Private Limited ("RISSPL") with Vedant Fashions Private Limited ("VFPL") pursuant to the provisions of Sections 230 to 232 of the Companies Act 2013 read with Companies (Compromises Arrangements and Amalgamations) Rules, 2016. Accounting for this scheme of amalgamation has been done as per 'Pooling of Interest Method' as specified in accordance with Appendix C of 'Business Combinations of entities under common control' of Indian Accounting Standard (Ind AS 103). The appointed date of the Scheme was December 15, 2017, however the effect of amalgamation has been considered in the books retrospectively as per the requirements of Ind AS 103 'Business Combinations'.

On the scheme of amalgamation becoming effective, the Company issued 96,42,250 number of fully paid up equity shares of the Company to shareholders of RISSPL i.e. 19,2845 paid up shares of Rs. 2 each for each shares held by the shareholders in RISSPL. Accordingly, the aggregate amount of shares issued on December 21, 2018 amounting to Rs. 192.85 lacs (@ Rs. 2 per share fully paid up) is disclosed as "Shares pending issuance" under Other Equity as at March 31, 2018. These shares have been issued during the current year and consequently have been transferred to share capital.

RISSPL was having investment in 95,30,000 number of shares of VFPL. As per the scheme, on the amalgamation of RISSPL with VFPL, the shares of VFPL held by RISSPL is cancelled. The excess amount of the cancelled share capital of the Company over the investment by RISSPL in the Company, amounting to Rs. 76.24 lacs, is treated as Capital Reserve in the Company's financial statements as on March 31, 2018 and March 31, 2019.

The financial information as at and for the corresponding year ended March 31, 2018 and March 31, 2019 have been prepared considering the impact of aforesaid scheme of amalgamation with effect from April 01, 2017. The financial information of RISSPL are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 and March 31, 2017 dated August 25, 2018 and June 10, 2017 respectively as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS. These financial statements have not been updated for any subsequent event from the date they were previously issued.

In accordance with the scheme of amalgamation, the authorised share capital of RISSPL (5 lacs equity shares of Rs. 2 each) has merged and combined with the authorised share capital of the Company.

Assets acquired and liabilities assumed

The carrying value of the assets and liabilities of business undertaking as on April 01, 2017 were

Particulars	Carrying Value recognised on business combination
Assets	
Cash and cash equivalents	367.78
Investments	23.50
Total (A)	391.28
Liabilities & Reserves	
Trade payable	0.24
Income tax liabilities (net of advances)	2.44
Retained Earnings	367.56
Securities Premium Reserve	16.00
Deferred Tax Liability	0.02
Total (B)	386.26
Total (A-B)	5.02
Purchase consideration to be transferred (shown as Shares Pending Issuance)	192.85
Difference in Net Assets taken over (including reserves) and purchase consideration adjusted to retained earnings as on April 1, 2017	(187.83)



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

Reconciliation of Balance Sheet as at March 31, 2018

Particulars	As at March 31, 2018	Impact of amalgamation of Rainbow Iron & Steel Suppliers Private Limited (Refer Note 49 (ii))	As at March 31, 2018 (Restated)
I) ASSETS			
Non-current assets			
(a) Property, plant and equipment	14,895.51	-	14,895.51
(b) Capital work in progress	18.33	-	18.33
(c) Goodwill	1,571.08	-	1,571.08
(d) Other intangible assets	15,130.07	-	15,130.07
(e) Intangible assets under development	49.04	-	49.04
(f) Financial assets			
(i) Investments	11.00	-	11.00
(ii) Other financial assets	2,521.12	-	2,521.12
(g) Other non current assets	833.52	-	833.52
(h) Non-current tax assets (net)	483.49	(24.04)	459.45
	35,513.16	(24.04)	35,489.12
Current assets			
a) Inventories	8,773.92	-	8,773.92
b) Financial assets			
(i) Investments	13,820.26	-	13,820.26
(ii) Trade receivables	32,186.02	-	32,186.02
(iii) Cash and cash equivalents	41.66	46.16	87.82
(iv) Bank Balances other than (iii) above	23.60	360.00	383.60
(v) Other financial assets	65.62	6.74	72.36
(c) Other current assets	3,047.68	-	3,047.68
	57,958.76	412.90	58,371.66
Assets held for sale	156.60	-	156.60
Total assets	93,628.52	388.86	94,017.38
II) EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	2,502.30	(190.60)	2,311.70
(b) Other equity	67,742.67	597.02	68,339.69
Total Equity	70,244.97	406.42	70,651.39
Non-current liabilities			
(a) Financial liabilities			
(i) Deposits	4,985.49	-	4,985.49
(b) Provisions	129.94	-	129.94
(c) Deferred tax liabilities (net)	180.41	(20.34)	160.07
(d) Other non-current liabilities	3,385.23	-	3,385.23
	8,681.07	(20.34)	8,660.73
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	1,269.26	-	1,269.26
(ii) Trade payables	4,310.18	0.22	4,310.40
(iii) Other financial liabilities	2,462.74	-	2,462.74
(b) Provisions	23.75	-	23.75
(c) Other current liabilities	6,636.55	2.56	6,639.11
	14,702.48	2.78	14,705.26
Total liabilities	23,383.55	(17.56)	23,365.99
Total equity and liabilities	93,628.52	388.86	94,017.38



Reconciliation of Statement of profit and loss for the year ended March 31, 2018

Particulars	For the year ended March 31, 2018	Impact of amalgamation of Rainbow Iron & Steel Suppliers Private Limited (Refer Note 49 (ii))	For the year ended March 31, 2018 (Restated)
Income:			
Revenue from operations (gross)	75,972.63	-	75,972.63
Other income	923.07	124.95	1,048.02
Total Income	76,895.70	124.95	77,020.65
Expenses:			
Cost of material consumed			
- Raw materials	6,978.33	-	6,978.33
- Accessories & packing materials	1,072.42	-	1,072.42
Purchases of stock-in-trade	16,234.23	-	16,234.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	191.88	-	191.88
Excise duty on sales	118.75	-	118.75
Employee benefits expense	4,803.29	-	4,803.29
Finance costs	601.24	2.60	603.84
Depreciation and amortisation expense	959.30	-	959.30
Other expenses	23,204.63	1.47	23,206.10
Total expenses	54,164.07	4.07	54,168.14
Profit before tax	22,731.63	120.88	22,852.51
Tax expenses/(credit):			
Current tax	6,821.40	26.11	6,847.51
Deferred tax / (credit)	1,106.71	(0.02)	1,106.69
Charge / (credit) of earlier years	(23.39)	-	(23.39)
MAT Credit Entitlement	-	(20.34)	(20.34)
Profit/(loss) after tax for the year	14,826.91	115.13	14,942.04
Other comprehensive income/(loss) for the year			
Item that will not be subsequently reclassified to profit or loss			
(a) Re-measurement gains/(losses) on defined benefit obligations	36.66	-	36.66
(b) Income tax effect on above	(10.23)	-	(10.23)
Total other comprehensive income/(loss)	26.43	-	26.43
Total comprehensive income/(loss) for the year	14,853.34	115.13	14,968.47



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

50 Share based payments

The Company has introduced Employee Stock Option Scheme 2018 ("ESOP"), pursuant to the approval of the shareholders of the Company at their extra ordinary general meeting held on September 3, 2018. The ESOP scheme includes both tenure based and performance based stock options. The performance conditions attached to the option is measured by comparing Company's performance in terms of revenue and profit before tax over the performance period with budgeted revenue and budgeted profit before tax respectively as defined in the Scheme, and individual employee performance.

Particulars	ESOP Scheme 2018	ESOP Scheme 2018
Number of Options Granted	332,124	13,663
Grant Date	September 3, 2018	December 21, 2018
Vesting Plan	On continued employment with the Company and fulfilment of performance parameters.	On continued employment with the Company and fulfilment of performance parameters.
Vesting Period	Over a period of 2 to 4 years from the date of grant.	Over a period of 2 to 4 years from the date of grant.
Exercise Period	10 years from the date of Grant of Stock Options	10 years from the date of Grant of Stock Options
Exercise Price (Rs. per Option)		344
Method of Accounting	Fair Value	Fair Value

Movement of Options Granted

The movement of the options for the year ended March 31, 2019 is given below:

Particulars	Stock Options (Numbers)	Range of exercise Prices (Price per Option)	Weighted Average	
			Exercise Price (Price per option)	Remaining Contractual Years
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	345,787	344	344	10
Options forfeited during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Options lapsed during the year	-	-	-	-
Options outstanding at the end of the year	345,787	344	344	10

Fair Valuation:

At grant date, the estimated fair value of stock options granted was Rs.190. The fair valuation was carried out by an independent valuer using Black Scholes Model. The various inputs and assumptions considered in the pricing model at grant date for the stock options granted under ESOP Scheme 2018 are as under.

Particulars	March 31, 2019
Risk Free interest rate (%)	7.95%
Option Life (Years)	7 years
Expected Volatility (%)	37
Share price at options grant date (in Rs. Per share)	344.97

Effect of the above employee share-based payment plan on the statement of profit and loss and on its financial position:

Particulars	March 31, 2019	March 31, 2018
Employee Compensation Cost pertaining to share-based payment plans (in INR Lacs)	125.12	-



51 Critical estimates and judgements in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Property, plant and equipment and useful life of property, plant and equipment and intangible assets

The carrying value of property, plant and equipment and intangible assets (excluding brand & goodwill) is arrived at by depreciating the assets over the useful life of assets. The estimate of useful life is reviewed at the end of each financial year and changes are accounted for prospectively.

ii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the Discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the goodwill and brand.

iii) Estimation of Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

iv) Defined benefit plan

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. (Refer Note 40)

v) Classification of Leases

The Company enters into leasing arrangements for rental properties. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset. Based upon above evaluation, the Company does not have any finance lease.

The Company bases its estimates and assumptions on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

vi) Fair Value Measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.



Vedant Fashions Private Limited

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Lacs, unless otherwise stated)

vii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months. Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

viii) Estimation of current tax expense and payable

Taxes recognised in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the Company operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities.

52 Assets Held For Sale

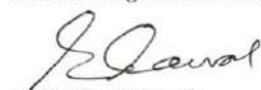
During the previous year ended March 31, 2018, the Company had received advance amounting to Rs. 240.88 Lacs against sale of an identified asset under property, plant & equipment. Consequently, the written down value of such assets amounting to Rs. 156.60 Lacs (Gross block: Rs. 172.98 Lacs and accumulated depreciation of Rs. 16.38 Lacs) has been disclosed as "Assets held for sale" as on March 31, 2018. The sale was executed in the current year ended March 31, 2019.

In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Sanjay Agarwal
Partner

Membership No. 055833

UDIN: 19055833AAAAAF6326

Place: Kolkata

Date: July 24, 2019

Vedant Fashions Private Limited

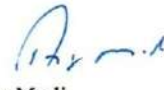
For and on behalf of the Board of Directors



Ravi Modi
Managing Director
DIN : 00361853



Dalpat Raj Jain
Chief Financial Officer



Ajay Modi
Director
DIN : 02051641



Navin Parfeek
Company Secretary

