

REPORT

ANNUAL

2022-2023

Design-led.

Innovative.

Sustainable.

Reliable.

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From the Chairman



Dear Shareholders,

It is with great pleasure I write to share with you the remarkable progress we have made and the achievements accomplished in the past year at Bhartiya International Limited.

We remain steadfast in our commitment to drive growth and expand our presence in the market. Throughout the year, we have made significant strides in increasing our share of business with key clients including Tapestry, Inc., Levi Strauss, and AllSaints. These valuable partnerships have not only strengthened our existing relationships but have also opened up new markets and customers for growth.

Our dedicated teams have relentlessly pursued operational efficiencies, cost improvements, and profit margin enhancement. By leveraging technology, streamlining production processes, and optimizing resources, we have achieved notable progress in driving operational excellence. These ongoing efforts will contribute to our bottom line and position us competitively in the market.

At Bhartiya International, we firmly believe in giving back to the communities where we operate. We have continued our commitment to support our communities in Chennai and Bangalore by contributing towards educational programs and infrastructure improvements under Company's Corporate social responsibility programmes.

Our employees are the heart and soul of Bhartiya International. Their unwavering dedication, passion, and commitment have been instrumental to our success. Their hard work and tireless efforts have enabled us to grow, gain market share, and improve our financial performance. I extend my deepest gratitude to every member of our global team for their invaluable contributions.

We remain optimistic about the future. We will continue to focus on our growth drivers, nurturing our relationships with key clients, and exploring new opportunities in untapped markets. As always, our unwavering commitment to operational excellence will guide our path forward, enabling us to adapt and thrive in a rapidly changing retail landscape.

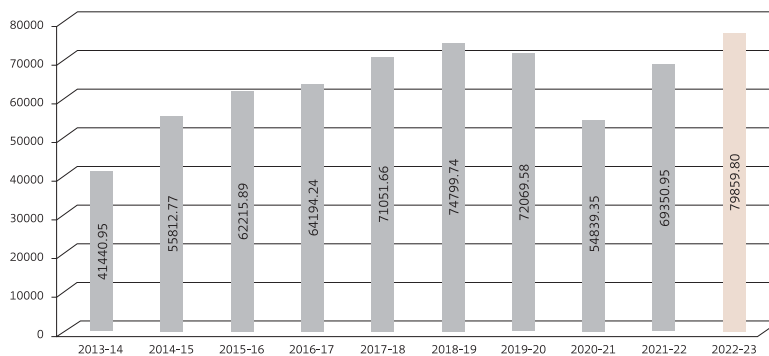
Your belief in our vision drives us forward and inspires us to reach new heights. With our collective efforts, I am confident that Bhartiya International will continue to deliver sustainable growth and to create long-term value for all stakeholders.

Thank you for being a part of our journey.

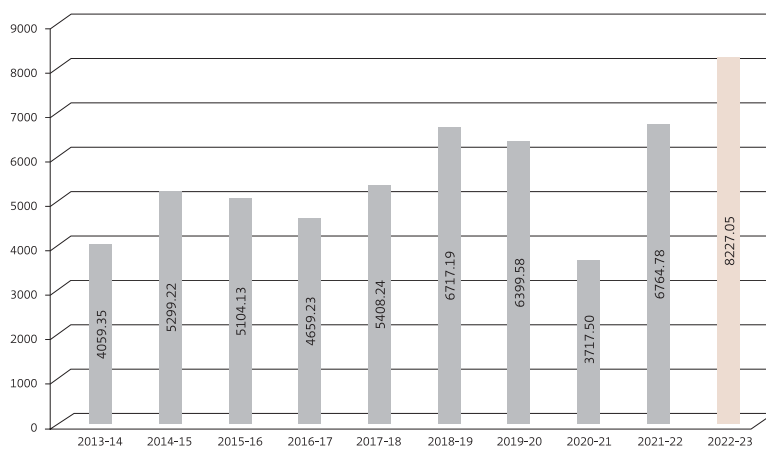
Sincerely,
Snehdeep Aggarwal
Chairman

Performance Highlights

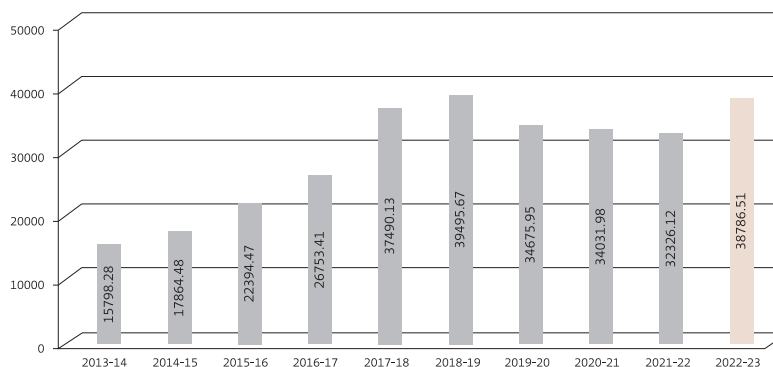
Turnover (Rs. in Lakhs)



EBITDA (Rs. in Lakhs)



Net Worth (Rs. in Lakhs)



Board of Directors

DIRECTORS & KMP

SNEHDEEP AGGARWAL

Chairman

MANOJ KHATTAR

Whole Time Director

NIKHIL AGGARWAL

Director

ROBERT BURTON MOORE JR.

Director

SANNOVANDA MACHAIAH SWATHI

Independent Director

NAVKIRAN SINGH GHEI

Independent Director

VIVEK KAPUR

Independent Director

DEEPAK BHOJWANI

Independent Director

RAJ KUMAR CHAWLA

Chief Financial Officer

YOGESH KUMAR GAUTAM

Company Secretary

AUDITORS

Sushil Poddar & Co.

BANKERS

Axis Bank

Canara Bank

HDFC Bank

ICICI Bank

IDBI Bank

IDFC

Indusind Bank

Kotak Mahindra Bank

SBM Bank (India) Ltd.

State Bank of India

Union Bank of India

DELHI

Bhartiya International Limited

E-52, New Manglapuri,
Mandi Road (Mehrauli),
New Delhi - 110 030,
India

GURUGRAM

Bhartiya International Limited

Plot No. 38, Sector - 44,
Gurugram - 122 003, Haryana
India

BENGALURU

Bhartiya International Limited
27/2, Gottigere, Bannerghatta
Road, Bengaluru - 560 083 India

CHENNAI

Bhartiya International Limited
56/7, Nallambakkam Village,
Via-Vandalur,
Chennai - 600 127, India

TADA

Bhartiya International Limited

APIIC Industrial Park,
Konduru Village, Tada Mandal,
SPSR Nellore Distt.,
Andhra Pradesh - 524 401 India

ITALY

Ultima Italia SRL

Via Vincenzo Monti, 21,
20123 Milano (MI),
Italy

HONGKONG

World Fashion Trade Limited
Unit 609, 6/F, Hong Kong Plaza,
188, Connaught
Road West, Hong Kong

Design Industry Limited

Room 1104, Crawford House,
70 Queen's Road, Central,
Hong Kong

SWITZERLAND

Ultima SA

Rue Des Draizes 7
CH-2000, Neuchatel,
Switzerland

CHINA

Design Industry China Limited

Room 1603,
Lianyin Building, No 887,
Jiangcheng Road, Hangzhou,
China - Pin Code: 310 002

BANGLADESH

H-32, F-A3,
East Raja Bajar,
Firmgate, Dhaka - 1215

Management Discussion & Analysis

Industry Update

The fashion industry experienced robust growth for an extended period of time post covid due to revival of latent demand across markets. However, inflation and depressed customer sentiments in certain geographies have resulted in moderate growth rates in the second half of 2022.

Going forward, the luxury fashion sector is expected to outperform the rest of the industry, as shoppers continue to travel and spend, and thus remain more insulated from the effects of hyperinflation. Based on McKinsey's analysis of fashion forecasts, the luxury sector is expected to grow between 5 and 10 percent in 2023, driven by strong momentum in China (projected to grow between 9 and 14 percent) and in the United States (projected to grow between 5 and 10 percent).

Despite headwinds created by the global recessionary trends, India is gaining traction as a reliable sourcing hub due to our stable economy and relatively qualified yet cheaper labour.

About The Company

Bhartiya's Journey

Bhartiya's institutional journey began in 1987, focusing on design-led manufacturing. Over the last three decades, it has grown into a global company with a presence in six countries, becoming a preferred partner for over 100 retailers and brands worldwide. As a vertically integrated company, it covers material sourcing, design development, manufacturing, and quality assurance, excelling as a full-service supply chain platform with a commitment to sustainability. This integrated approach ensures a comprehensive view of all delivery components, fostering agility and quick decision-making.

Design-Driven Success

Design is at the heart of Bhartiya's operations. Its cutting-edge in-house R & D department, led by design professionals in Milan, Italy, Gurgaon, Bangalore, and Chennai, drives constant product innovation. By combining a design-focused mindset with an industrial delivery model, it achieves higher margins and a scalable business. Collaborating with leading global brands has further solidified its business model and ensured stability.

Key Business Divisions

Leather Garments Division

Bhartiya's Leather Garments Division is a core pillar of the company, offering a comprehensive range of men's and women's outerwear apparel. It takes pride in being among the largest manufacturers of leather garments globally, gaining an edge in an industry filled with numerous smaller players. This division's success lies in their ability to build scale, ensuring steady state profitability even amid changing market dynamics.

The fashion industry is evolving rapidly, and sustainability has become a significant concern. Recognizing this, Bhartiya is committed to being a responsible partner to over 100 global brands they collaborate with. As part of its sustainability efforts, company's Tannery based in Chennai is moving towards ethical and sustainable production methods. The tannery sources and produces leathers that are traceable, sustainable, organic, and biodegradable. This initiative aligns with our mission to support partner brands in remaining relevant to their customers and the world by contributing to efficient resource use and promoting a sustainable future.



A key driver of manufacturing prowess is the team of leading design professionals based in Milan, Gurgaon, and Bangalore. Constantly innovating and incorporating the latest fashion trends, this talented team plays a crucial role in delivering high-quality products. Bhartiya's strong expertise across the value chain, covering designing, sourcing, and manufacturing, ensures efficient processes and higher capacity utilization, resulting in a predictable business model with enhanced profitability.

Having established a robust business model, the Leather Garments Division is now positioned to benefit from operating leverage. With low incremental costs, additional sales directly translate into improved bottom-line performance. The focus in this segment is to cultivate long-term partnerships with a concentrated list of high-value customers while also diversifying its client base to reduce business risks.

To fuel further growth, Bhartiya has ramped up its marketing network by engaging agents in key geographies. These agents work on a variable incentive model linked to sales, making it a cost-effective growth strategy with minimal fixed cost investment for the company.





Accessories Division

The Accessories Division at Bhartiya plays a vital role in the global fashion market, manufacturing both leather and non-leather bags, accessories, and belts for esteemed international brands. The journey in this segment started over a decade ago, commencing with a factory dedicated to bags and accessories in Chennai.

Over the past two years, Bhartiya has successfully partnered with renowned fashion brands like Coach and Ralph Lauren, leading to their products being shipped to major fashion hubs worldwide. The division currently operates four facilities, one of which is located in Tada, Andhra Pradesh. This ultra-modern facility is equipped with state-of-the-art equipment and highly skilled resources at all levels, enabling it to deliver approximately one million pieces each year.

As with the other divisions, India's reputation as a reliable sourcing hub, coupled with Bhartiya's capabilities in design and product development, positions the Accessories Division for rapid growth over the next few years. The expertise extends across various categories, including bags, belts, wallets, and other small leather goods, and that are continually scaling up the manufacturing facilities to meet growing demand.

Textile Outerwear Division

Bhartiya's Textile Outerwear Division is known for delivering some of the best quality products to reputed retailers and brands. Specializing in a variety of styles for both men's and women's outerwear categories, this division has experienced rapid expansion in recent years.

A key factor behind their success is the cross-sell strategy, where it offers multiple product lines to the existing global

client base. This approach has not only strengthened the relationships with current customers but also attracted new ones, driving sustained growth in the segment.

To bolster its capabilities, Bhartiya has reinforced the production teams by leveraging a strong talent pool from the manufacturing industry. This strategic move ensures efficient operations and further contributes to sustained profitability. As we continue to focus on high-value products, the Textile Outerwear Division remains a significant lever for growth within the company, set to expand its business volume in the coming years.

Virtual Manufacturing Division

While Bhartiya continues to prioritize building manufacturing capabilities for its clients, the company has also identified an untapped opportunity in the virtual manufacturing space. India, especially post-Covid, has emerged as a key sourcing location for global customers and retailers within the apparel and fashion industry.

To strengthen the Virtual Manufacturing Division, Bhartiya has invested in enhancing its marketing and creative design teams. The goal is to expand partnerships within the UK, Europe, and the US. Additionally, it has begun building key partnerships in other strategically important regions outside the US and UK, seeking long-term collaborations with well-established volume retailers. Collaboration remains a central theme as Bhartiya builds teams, explores new partnerships, and collaborates with new customers to drive growth. The company is also focused on increasing wallet share with existing retail partners, fortifying relationships that contribute to mutual success. Strengthening its vendor network is a priority for Bhartiya, both within India and through manufacturing partnerships in Bangladesh and

China. This allows us to tap into new markets and enhance production capacity.

Key features of the business division are:

- Asset-light model with minimal working capital exposure and no fixed asset investments
- Scalable business model as capacity enhancement can be done without owning factories



Our Company

Human Resource

Bhartiya's human resources is the strong foundation for creating many possibilities for its business. During the year under review, the efficient operations of manufacturing units, market development and expansion for various products was the highlight of our people effort. Continuous people development for developing knowledge and skills coupled with sound people practices will deliver the talent needs of the organization. The organization took all the necessary precautions during pandemic and have extended support to the workers to sustain their livelihood. Many programs have been initiated to maintain the mental wellbeing of people and a continuous communication with the teams have been ensured to upkeep the motivation level intact. Massive vaccination drives at all locations couple with testing have ensured that our people and their families are safe and secured at all times. Our people are working round the clock to fulfil the deliverables promised to our customers thereby maintaining the customer delight. All this has been made possible due to the never-ending efforts of our teams and their belongingness towards the organization.

Internal Control

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported correctly. Such internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. These are designed to ensure that financial and other records are reliable for preparing financial information and other reports and for maintaining regular accountability of the Company's assets. The internal auditors present their report to the Audit Committee of the Board.

Financial Performance

On Consolidated basis, during the year under review, the Company achieved a turnover of Rs. 79859.80 Lakhs. The Net Profit/(loss) after taxes minority interest and share of profit/(loss) of associates was reported at Rs. 6257.63 Lakhs as against loss of Rs. 1656.39 Lakhs in the previous year.

On Standalone basis, during the year under review, the Company achieved a turnover of Rs. 66443.38 Lakhs. The Net Profit after taxes was reported at Rs. 1617.26 Lakhs as compared to Rs. 1194.90 Lakhs in the previous year.





Significant Changes in Financial Ratios

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a Company is required to give details of significant changes (change of 25% or more as compared to the immediate previous financial year) in its financial ratios.

Accordingly, on Standalone basis, Debtor Turnover ratio increased to 7.88 for FY 2022-23 compared to 6.29 in FY 2021-22 (an increase of 25.28%).

On consolidated basis, under the year review, Return on Capital employed increased to 30.25 for FY 2022-23 compared to 4.51 in FY 2021-22 (an increase of 570%).

Risk Management

The Company has made process which identifies, assesses and manages risk at Strategic, Operational and Compliance levels, across business units, functions and geographies. The board of directors are informed about the risks or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the board of directors. Bhartiya International's exposure to foreign currency risk is restricted to its imports and exports. These risks are minimized through well-thought-out financial operations, astute treasury management and effective use of hedge options.

Cautionary Statement

All the statements and assertions in this report regarding the projections, estimates and outlook are subject to current market situations and expected effects of future events on current and developing circumstances. Results may vary due to a number of factors, which could effect the Company's business operations, such as demand and supply conditions, price inputs, change in government levies and regulations, industrial relations and other economic variables in the country. Bhartiya International cannot be held responsible in any way for such statements and it undertakes no obligations to publicly update these to reflect subsequent events or circumstances.

Bhartiya City, Bengaluru, India

Located in Bengaluru; Bhartiya City is an urban smart city spanning across 125+ acres. Seamlessly integrating homes, schools, malls, and hotels, it offers a holistic and efficient lifestyle for its residents and people in Bengaluru. Cutting-edge technology drives sustainability, energy efficiency, and connectivity, enhancing the quality of life. This innovative urban marvel sets a new standard for urban planning and community development. The township is the single largest urban development of its kind within the corporation limits of any metropolitan city in the country.

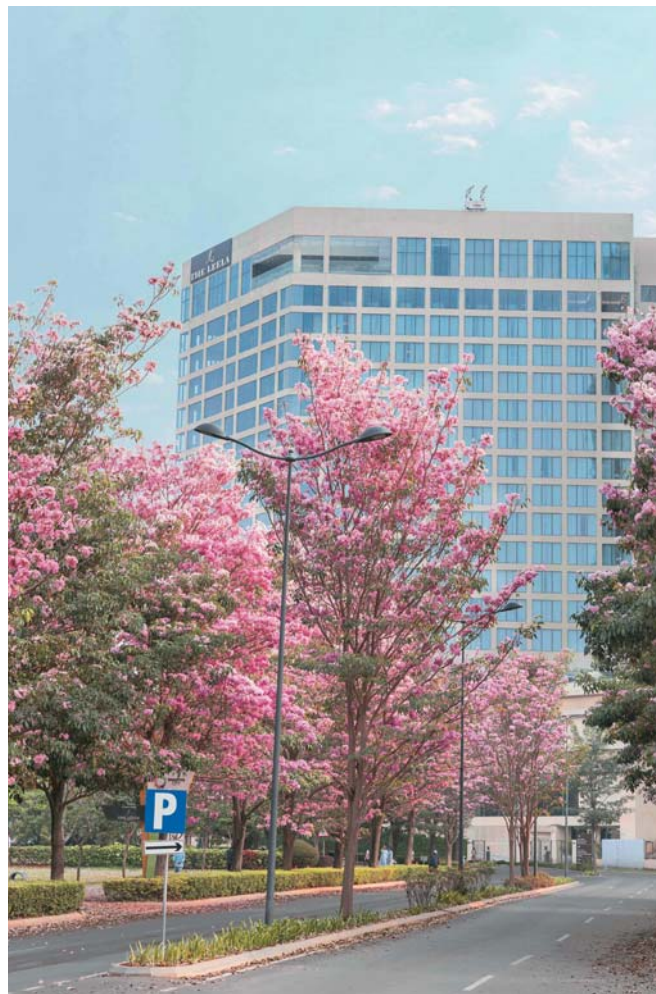
The company's flagship residential brand 'Nikoo Homes' is India's first branded residential project with focus on Family, Community, Culture, Health, and Learning. The focus is to build communities and give families a chance to live a better life.

After successful launch of Nikoo 1 & 2 and with over 5000 happy Nikoo families residing, Nikoo 4 became one of the fastest selling projects on Bangalore. The company is in the process of launching Nikoo 5 shortly.

Bhartiya City has already developed 3 million square feet (msf) IT office space with another 1 msf under development.

The Leela Hotel & Convention Centre boasts of one of the largest convention centres in Bengaluru. It regularly hosts events and conventions and is becoming a popular destination for large scale events. Bhartiya City also





features luxury private residences located at the city center overlooking lush green Central Park. Defined by a sophisticated sense of style and luxurious finishes, these residences come embellished with the legendary Leela service.

The much-awaited Mall of Bengaluru is open to public. With popular brands like Mango, Marks & Spencer, Lifestyle, Apple, Bose etc.; the mall has become the entertainment and shopping capital. With events and international concerts taking place, PVR opening, food court and great restaurants opening up; the mall offers everything as envisioned. The Mall provides an experience where art, culture, shopping, retail, and entertainment all converge in bringing thousands of people together from in and around Bengaluru city.

The city that started with a dream to create a good life is now a reality and a known landmark in Bengaluru.

BOARD'S REPORT

Your Directors' are pleased to present the Thirty Sixth Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended 31st March, 2023 ("year under review").

FINANCIAL RESULTS

The consolidated and standalone financial results of the Company for the financial year ended 31st March, 2023 are as follows:

(Rs. in Lakhs)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Net Sales/ Income from Operations	79859.80	69350.95	66443.38	53085.40
Other Income	335.74	3217.40	346.22	463.56
Total Income	80195.54	72568.35	66789.60	53548.96
Profit before Interest, Tax & Depreciation	8227.05	6764.75	6610.12	4796.40
Finance Cost	3669.60	2327.53	3445.43	2272.86
Profit before Tax & Depreciation	4557.45	4437.22	3164.69	2523.54
Depreciation	2522.78	2380.63	980.73	834.80
Profit Before Tax	2034.67	2056.59	2183.96	1688.74
Tax Expenses	592.96	546.00	566.70	493.84
Net Profit after Tax	1441.71	1510.59	1617.26	1194.90
Share of Net Profit/(Loss) of Associates	4815.92	(3167.02)	-	-
Net Profit/Loss	6257.63	(1656.43)	1617.26	1194.90
Other Comprehensive Income	(33.84)	25.26	(34.23)	22.08
Total Comprehensive Income for the Year	6223.79	(1631.17)	1583.03	1216.98
Paid up Equity Share Capital	1220.71	1220.71	1220.71	1220.71
Reserve (Excl. Revaluation Reserve)	37565.80	31105.35	30721.95	29138.92
Earning per Share (Basic) Rs.	50.98	(13.36)	13.59	9.79
Earning per Share (Diluted) Rs.	50.91	(13.34)	13.23	9.78
Dividend	-	-	-	-

PERFORMANCE REVIEW

On Consolidated basis, during the year under review, the Company achieved a turnover of Rs. 79859.80 Lakhs. The Net Profit/(loss) after taxes minority interest and share of profit/(loss) of associates was reported at Rs. 6257.63 Lakhs as against loss of Rs. 1656.39 Lakhs in the previous year.

On Standalone basis, during the year under review, the Company achieved a turnover of Rs. 66443.38 Lakhs. The Net Profit after taxes was reported at Rs. 1617.26 Lakhs as compared to Rs. 1194.90 Lakhs in the previous year.

SHARE CAPITAL

During the year under review, no changes took place in the Share Capital of the Company.

As on 31st March, 2023, Mr. Manoj Khattar, Whole-Time Director of the Company holds instruments convertible into equity shares of the Company.

DIVIDEND

In order to conserve the resources of the Company by taking into account the prevailing economic situation and the need of resources for growth, the Board of Directors of the Company thought it was prudent not to recommend any dividend on the Equity Shares of the Company for the Financial Year ended 31st March, 2023.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement for adopting the Policy for dividend distribution is not applicable to the Company during FY 2022-23.

DETAILS AND PERFORMANCE OF SUBSIDIARY COMPANIES

Domestic Subsidiaries

Bhartiya Global Marketing Limited

It is a Global Marketing Company engaged in the export of textile and leather garments. The net loss was reported at Rs. 0.25 lakhs during the financial year 2022-23.

J&J Leather Enterprises Limited

This Company is a tannery to support our leather garments and accessories business through conversion of wet blue leather into finished leather. The total revenues of the Company stood Rs. 1714.34 lakhs and the net profit as Rs. 15.35 lakhs during the financial year 2022-23.

Bhartiya International SEZ Limited

The Company is incorporated to develop sector specific Special Economic Zone (SEZ) of Leather & Leather Products. It is a joint venture between Bhartiya International Limited and Andhra Pradesh Industrial Infrastructure Corporation. The total revenues of the Company reported Rs. 53.19 lakhs and the net loss as Rs. 31.73 lakhs during the financial year 2022-23.

Bhartiya Fashion Retail Limited

The Company had registered a profit of Rs. 1.90 lakhs for the financial year 2022-23.

Bhartiya Urban Infrastructure Limited

The Company incurred a loss of Rs. 0.31 lakhs for the financial year 2022-23.

Overseas Subsidiaries

Ultima S.A. Switzerland

The Company is engaged in marketing and selling outerwear including leather garments, accessories and textile products in Europe. The total revenues of the Company reported as CHF 76,05,823.50 and the net loss as CHF 17,63,353.65 during the financial year 2022-23.

World Fashion Trade Limited, Mauritius

The Company registered income of HK\$ 495 and net loss of HK\$ 1,25,995 for the period ended 31st March 2023.

Ultima Italia SRL, Italy

This company markets all fashion products including fur and leather garments in Italian market. The total revenues of the Company reported as Euro 33,47,938 and the net profit as Euro 607 during the financial year 2022-23.

Design Industry Limited, Hongkong

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China and India for marketing and selling in Europe. The total revenues of the Company reported as HK\$ 60,347,573 and the net profit as HK\$ 12,182,278 during the reported period.

Design Industry China Limited, China

Design Industry China Limited is a wholly owned subsidiary of Ultima S.A. This company is engaged in marketing and selling of outerwear (including leather, PU Garments, fashion accessories) from China for marketing and selling in China. The total revenue of the Company reported as RMB Yuan 45,20,901.50 and the net profit as RMB Yuan 3,09,473.87 during the financial year.

New Subsidiary /Associate Company Incorporated / Dissolved during the year

No new Subsidiary or Associate Company was incorporated acquired during the year under review. Also, no subsidiary/ or Associate Company was dissolved during the year however Bhartiya Urban Private Limited, an associate of the Company, has signed a Definitive Agreement for finalising a transaction to transfer the entire shareholding of its wholly owned subsidiaries namely Milestone Buildcon Private Limited and Milecon IT Park 3B Private Limited, to Reco Bangalore Private Limited, Singapore.

FINANCIAL STATEMENTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31st March, 2023 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended 31st March, 2023.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with the relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 and forms an integral part Annual Report for FY 22-23.

EMPLOYEES STOCK OPTION PLAN

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines') read with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time.

The Company has received a certificate from the Secretarial Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The certificate would be placed at the Annual General Meeting for inspection by members.

Statement Pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 as at 31st March, 2023, are set out in **Annexure-'A'** to this Report.

DIRECTORS

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Snehdeep Aggarwal (DIN: 00928080), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors recommends his re-appointment and the matter is being placed for the approval of members at the ensuing Annual General Meeting of the Company.

Re-appointment of Whole-time Director (Mr. Manoj Khattar)

Subject to shareholders' approval at ensuing Annual General Meeting, Board of Directors in their meeting held on 11th August, 2023, based on the recommendation of Nomination and Remuneration Committee and Audit Committee and upon considering the expertise of Mr. Manoj Khattar (DIN: 00694981) in the company's business and his exceptional leadership and strong performance, had approved his re-appointment as the Whole-time Director of the Company for a second term of five years commencing from 13th August, 2023 and remuneration payable thereof.

The requisite declaration and eligibility confirmations under the provisions of the Act and Securities and Exchange Board of India ("SEBI") Regulations were received from Mr. Manoj Khattar on account of his re-appointment effective from 13th August, 2023.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company during the year under review.

Sl. No.	Name of the person	Designation
1.	Mr. Manoj Khattar	Whole-Time Director
2.	Mr. Raj Kumar Chawla	Chief Financial Officer
3.	Mr. Yogesh Kumar Gautam	Company Secretary

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2023 and of the profit of the company for the year ended on that date;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis; and
- e) that the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022-23, five Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2022-23 forms part of the Corporate Governance Report.

NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-Executive Directors. This policy also lays down the criteria for selection and appointment of Board members. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Directors and criteria for appointment of Key Managerial Personnel/Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

BOARD EVALUATION

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its committees on the evaluation criteria defined by Nomination and Remuneration Committee for performance evaluation process of the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meeting of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/ Committee Meetings and guidance/support to the Management outside Board / Committee Meetings.

The performance assessment of Non-Independent Directors and the Whole-Time Director, Board as a whole and the Chairman were evaluated in separate meetings of Independent Directors held on 15th March, 2023 without the presence of Non-Independent Directors and members of the management.

The same was also discussed in the meetings of the Nomination and Remuneration Committee and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Board of Directors expressed their satisfaction with the evaluation process.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The details of the training and familiarisation program are provided in the Corporate Governance Report and is also available on the website of the Company at <https://www.bhartiyafashion.com/download/FAMILIARISATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-2022-2023.pdf>

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended is provided in a separate section and forms an integral part of this Report.

STATUTORY AUDIT

At the Annual General Meeting (AGM) held on 29th September, 2022, M/s. Sushil Poddar & Co., Chartered Accountants (Firm Registration No. 014969N) appointed as the Statutory Auditors of the Company for an initial term of 5 years. The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7th May, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 36th Annual General Meeting.

The Report given by M/s. Sushil Poddar & Co., Chartered Accountants, Statutory Auditors on the financial statement of the Company for the year 2022-23 forms part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Auditors did not report any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company had appointed Mr. Ravi Sharma., Practicing Company Secretary, FCS NO. 4468, C. P. NO. 3666 from M/s. RSM & Co. to undertake the Secretarial Audit of the Company for the year ended 31st March, 2023. The Secretarial Audit Report is annexed as **Annexure 'B'** and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

Pursuant to Regulation 24A of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019, the Annual Secretarial Compliance Report of the Company for the period ending 31st March, 2023, was submitted to the stock exchanges and is uploaded on the website of the Company i.e. www.bhartiya.com.

COMMITTEES

The Board of Directors has the following mandatory Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee
4. Corporate Social Responsibility Committee

The details of the composition of Committees, terms of reference and numbers of Meetings held during the Financial Year 2022-23 is provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the company has undertaken projects in education and rural development projects. These projects are in accordance with Schedule VII of the Act and the Company's CSR policy.

The Report on CSR activities as required under the Companies (CSR Policy) Rules, 2014 along with the brief outline and contents of the CSR policy are annexed as **Annexure 'C'** and forms an integral part of this Report. The Policy has been uploaded on Company's website at www.bhartiya.com.

CORPORATE GOVERNANCE

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Statutory Auditors confirming compliance forms an integral part of this Report.

BUSINESS RESPONSIBILITY REPORTING

The Business Responsibility Reporting as required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is not applicable to your Company for the financial year ending 31st March, 2023.

ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, the Annual Return for the Financial Year 2022-23, has been hosted on the Company's website www.bhartiya.com and weblink for the same is <https://bhartiyafashion.com/download/ANNUAL-RETURN-2023.pdf>.

RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were on an arm's length basis and in ordinary course of business and the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in the form AOC-2 is not required. There were no material Related Party Transactions (RPTs) undertaken by the Company during the year that require shareholders' approval under Regulation 23 (4) of SEBI Regulations or Section 188 of the Act. All related party transactions are mentioned in the Notes to the Financial Statements.

All transactions with related parties were reviewed and approved by the Audit Committee and were in accordance with the Policy on dealing with and materiality of related party transactions. There are no materially significant related party transactions that may have potential conflict with the interest of the Company. All contracts/arrangements/transactions entered into by the Company during the year under review with related parties were in the ordinary course of business and on arm's length basis in terms of provisions of the Act. Further, there are no contracts or arrangements entered into under Section 188(1) of the Act, hence no justification has been separately provided in that regard.

Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature with Related Parties. A statement giving details of all the related party transactions is placed before the Audit Committee and Board for review and approval on a quarterly basis.

The details of RPTs during financial year 2022-23, including transactions with person or entity belonging to promoter/promoter group which holds 10% or more shareholding in the company are provided in accompanying financial statements.

The SEBI vide amendments to the Listing Regulations had introduced substantial changes in the related party transaction framework, inter alia, by enhancing the purview of the definition of related party and overall scope of transactions with related parties. During the year under review, the Board of Directors based on recommendations of the Audit Committee approved revisions to the Policy on dealing with and materiality of Related Party Transactions and framework for transaction with related parties of the Company to define the ordinary course of business, review of material related party transactions and revise the thresholds for entering transactions with related parties and terms thereto. The Company's Policy on dealing with and materiality of related party transactions is available on the website of the Company at <https://bhartiyafashion.com/download/POLICY-ON-RELATED-PARTY-TRANSACTIONS.pdf>.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

RISK MANAGEMENT

The Company has adequate risk management process to identify and notify the board of directors about the risks or opportunities that could have an adverse impact on the Company's operations or that could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a

framework for mitigating controls and reporting mechanism of such risks. Bhartiya International's exposure to foreign currency risk is restricted to its imports and exports. These risks are minimized through well-thought-out financial operations, astute treasury management and effective use of hedge options.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company (www.bhartiya.com).

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. Besides, redressal is placed on the intranet for the benefit of employees. Further, the Company has complied with provision relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (14 of 2013). There was no instance reported for sexual harassment at workplace during the year under review.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported correctly. Such internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures. These are designed to ensure that financial and other records are reliable for preparing financial information and other reports and for maintaining regular accountability of the Company's assets. The internal auditors present their report to the Audit Committee of the Board.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

CREDIT RATING

Rating Committee of India Ratings and Research (Ind-Ra) has upgraded the long-term issuer rating of the Company to **IND BBB** (pronounced IND triple B) with **stable outlook**. Ind-Ra has assigned rating of IND BBB/ Stable/ IND A2 for Fund-based based working capital limits of Rs. 471.10 crores and term loan of Rs. 69.50 crores. Agency has assigned rating IND A2 for non-fund based working capital limits of Rs. 66.35 cr. The outlook on the long-term rating has been revised from Negative to Stable.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report, the business operations and financial position of the Company detailed in this Report as well as Notes to the Financial Statements of the Company.

SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company's securities are listed at the following Stock Exchanges in India:

BSE Limited

National Stock Exchange of India Limited

The Annual Listing fee for the Financial Year 2022-23 has already been paid to both the above Stock Exchanges.

COMPLIANCE OF SECRETARIAL STANDARDS

During the financial year under review, the Company has complied all applicable Secretarial Standards specified by the Institute of Company Secretaries of India pursuant to Section 118 of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

COST AUDIT AND MAINTANANCE OF COST RECORD

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable to the Company for the financial year 2022-23.

Further, maintenance of cost record as specified by the Central Government, under sub-section-1 of Section 148 of the Companies Act, 2013 is not required.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information in accordance with the provision of Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2023 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in the **Annexure 'D'** forming part of this report.

HUMAN RESOURCES

At Bhartiya, our objective is to align the talent pool with our core business values and brand philosophy while imparting technical skills and promote solution-oriented mindset which are business growth enablers. We have committed to provide them the platform to experiment and embrace new opportunities in-order to serve the customers of tomorrow. Bhartiya's people assets is the strong foundation for creating many possibilities for its business. Our approach towards attracting and nurturing finest quality of talent is a combination of empowerment and accountability that provides people lifelong development opportunities and make them change leaders. Talent sourced across India gets the opportunity to be positioned in high impact roles at Bhartiya and deploy functional mastery to deliver innovative solutions while contributing to our operational excellence and overall business strategy. During the year under review, the efficient operations of manufacturing units, market development and expansion for various products was the highlight of our people effort. Continuous people development for developing knowledge and skills coupled with sound people practices will deliver the talent needs of the organization.

We strive to build a deep talent bench of high-quality leaders through a culture of continuous learning, innovation, and collaboration by providing leading-edge learning and development support to our managers.

PARTICULARS OF EMPLOYEES

During the financial year 2022-23, the Company had 291 employees.

In terms of the provisions of Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this report.

Further, the disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during business hours on working days upto the date of ensuing Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The Annual Report including the aforesaid information is also available on the Company's website.

None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

DEMAT SUSPENSE ACCOUNT FOR UNCLAIMED SHARES

There are no unclaimed shares of the Company.

PUBLIC DEPOSIT

The Company has neither invited/ nor accepted any deposits during the year within the meaning of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposit) Rules, 2014.

AWARDS AND ACCOLADES

Your Company continues to win awards year after year, reiterating its credible market position. Some awards received during the previous three Financial Years by the Company are as given below:

- (a) First Place Export Award from Council For Leather Export – Northern Region (Category above Rs.200 Crores – Leather Garments) year – 2020-2021.
- (b) First Place Export Award from Council For Leather Export – Northern Region (Category above Rs.300 Crores – Leather Garments) year – 2019-2020.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration and commission from any of its subsidiaries.
- c) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- d) No frauds has been reported by the Auditors to the Audit Committee or the Board.
- e) There has been no changes in the nature of business of the Company.

ACKNOWLEDGEMENTS

Your Directors are highly grateful for all the help, guidance and support received from the valued customers, suppliers, vendors, other business associates, various government and local authorities as well as the various Banks.

The Board places on record its appreciation for the devoted and dedicated services rendered by all the employees in taking the Company forward.

For and on behalf of the Board

Snehdeep Aggarwal

Chairman

DIN: 00928080

Gurugram, 11th August, 2023

ANNEXURE A
(ESOP DISCLOSURE)

Statement Pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014

The details of the Employees Stock Option Plan, 2013 approved by the Company is valid as on date and there has been no variation in the Scheme.

- A. Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time are provided on the weblink: www.bhartiyafashion.com
- B. Basic and Diluted EPS in Indian accordance with "Indian Accounting Standard - 33 Earnings Per Share" issued by ICAI is as under: Rs. 13.39 and Rs. 13.23 on standalone basis

Particulars	Standalone (in Rs.)	Consolidated (in Rs.)
Basic EPS	13.39	51.03
Diluted EPS	13.23	50.94

- C. Details related to Employees Stock Option Plan, 2013.

Name of the Scheme	Employees Stock Option Plan, 2013
Date of shareholders approval	September 23, 2013
Total number of options approved under ESOS	400,000
Vesting requirements	The minimum vesting period shall be 1 (one) year from the date of grant and may extend upto 4 (four) years as may be determined by the Board/ Nomination and Remuneration Committee.
Exercise price or pricing formula	The Exercise Price per option shall be such discounted price to the Market Price of the Equity Shares of the Company as may be determined by the Board / Nomination and Remuneration Committee.
Maximum term of options granted	The options vested should be exercise within 5 years from the date of such respective vesting.
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	None
Method used for accounting of ESOPs	Fair Value
Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed	Not applicable

- D. Details of options granted to senior managerial personnel or identified employees is as under:

Particulars	Year Ended 31st March, 2023
Senior managerial personnel	NIL
Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NIL
Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL

E. The activity in the Employees Stock Option Plan during the year ended 31st March, 2023 is as under:

Particulars	Year ended 31st March, 2023
Number of options outstanding at the beginning of the period	20,751
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Not Applicable
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	20,751
Number of options exercisable at the end of the year	20,751
Weighted average exercise price and weighted average fair value of Options granted during the year for Options whose exercise price either equals or exceeds or is less than the market price of the stock. Options whose exercise price is less than the market price: - Weighted average exercise price of options - Weighted average fair value of options	NA NA
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: - Date of Grant - Weighted average share price - Exercise price - Expected volatility - Option life (comprising of weighted average of vesting period and exercise period) - Expected dividends - Risk free rate of return	Not Applicable as no options were granted during the year.
The method used and the assumptions made to incorporate the effects of expected early exercise	Historical data for early exercise of Options is not accurate / uniform, hence not considered in expected life calculations.
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over twelve months period prior to the date of grant has been considered.
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other feature has been considered for fair valuation of options except as mentioned in the points above.

**ANNEXURE B
(SECRETARIAL AUDIT REPORT)
FORM NO. MR-3**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Members

Bhartiya International Limited
56/7, Nallambakkam Village (via Vandalur)
Chennai TN 600048

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **BHARTIYA INTERNATIONAL LIMITED** (hereinafter called the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance – Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2023 according to the provisions of :-

1. The Companies Act, 2013("the Act") and Rules made thereunder as amended/modified;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the audit period**);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not applicable to the Company during the Review Period**);
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (**Not applicable to the Company during the audit period**);
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the audit period**);
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the company during the audit period**) and
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time, to the extent applicable;

- j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulation, 2009 to the extent applicable.
6. We further report that, having to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the laws and Regulations applicable to the Company;

We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

We have also examined compliance with the applicable clause of the following:

- i) Secretarial Standard with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with our letter of even date which is annexed as "**Annexure-A**" and forms an integral part of this report.

For RSM & Co.
Company Secretaries

CS RAVI SHARMA
Partner
FCS: 4468 | COP No.: 3666
UDIN: F004468E000754162
Peer Review Cert. No. 978/2020

Delhi, 11th August, 2023

Annexure-A to Secretarial Audit Report

The Members
Bhartiya International Limited
56/7, Nallambakkam Village (Via Vandalur)
Chennai TN 600048

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, rules and regulations, standards are the responsibility of the Management. Our examination was limited to the verification of procedures on a test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For RSM & Co.
Company Secretaries**

**CS RAVI SHARMA
Partner
FCS: 4468 | COP No. : 3666
UDIN: F004468E000754162
Peer Review Cert. No. 978/2020**

Delhi : 11th August, 2023

ANNEXURE C**ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2022-23****1. Brief outline on CSR Policy of the Company.**

The CSR Policy, duly approved by the Board of Directors has been uploaded on the Company website www.bhartiya.com. The policy contains the exhaustive list of programmes that can be undertaken by the Company during any reported period.

2. During the financial year 2022-23, the company had mainly catered in the field of education and rural area development projects. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Snehideep Aggarwal	Chairperson	3	3
2	Mr. Vivek Kapur [#]	Member	3	1
3	Mrs. Sannovanda Machaiah Swathi [#]	Member	3	1
4	Mr. Ramesh Bhatia [*]	Member	3	2
5	Mr. Sandeep Seth [*]	Member	3	2

[#] Mr. Vivek Kapur and Mrs. Sannovanda Machaiah Swathi were appointed as a member of committee w.e.f. 23rd September, 2022.

^{*} Mr. Ramesh Bhatia has resigned from the Board with effect from 23rd September, 2022 and Mr. Sandeep Seth completed his tenure of five years as director on 29th September, 2022

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.bhartiyafashion.com/download/CSR-PROJECTS-FY-2022-23.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable.**
6. Average net profit of the company as per section 135(5).- Rs. 17,36,30,134/-
7. (a.) Two percent of average net profit of the company as per section 135(5)- Rs. 34,72,603/-
(b.) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.-**NIL**
(c.) Amount required to be set off for the financial year, if any-NIL
(d.) Unspent amount of previous years- -NIL
8. Total CSR obligation for the financial year (7a+7b- 7c+7d)- Rs. 34,72,603/-
9. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in Rs.)	Date of transfer	Name of the Fund	Amount	Date of transfer
37,52,975/-	NIL	NIL	NIL	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation-Direct (Yes/No)	Name	Mode of Implementation - Through Implementing Agency CSR Registration number
-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	PROJECT 1/22-23	Rural Development Project	Yes	Tamil Nadu	Kanchipuram	2,50,000/-	Yes	Not Applicable	
2	PROJECT 2/22-23	Rural Development Project	Yes	Tamil Nadu	Kanchipuram	2,94,500/-	Yes	No Applicable	
3	PROJECT 3/22-23	Promotion of Education	Yes	Delhi NCR & Bangalore	Delhi NCR & Bangalore	15,00,000/-	Yes	No Applicable	
4	PROJECT 4/22-23	Rural Development Project	Yes	Tamil Nadu	Kanchipuram	1,78,475/-	Yes	No Applicable	
5	PROJECT 5/22-23	Promotion of Education	Yes	Bangaluru, Tamil Nadu.	Bangaluru, Tamil Nadu.	15,30,000/-	Yes	No Applicable	
	TOTAL					37,52,975/-			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 37,52,975/-

(g) Excess amount for set off, if any: Rs. 2,80,372

10. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
		NIL	NIL	NIL			

(b.) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project- Completed/ Ongoing
1.		Project 3/2021-22	2021-22	One Year	25,00,000	17,69,592	25,00,000	Completed in reporting year
	TOTAL	-	-	-	25,00,000	17,69,592	25,00,000	-

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

For and on behalf of the Board

Manoj Khattar
Whole-Time Director
DIN: 00694981

Snehdeep Aggarwal
Chairman
DIN: 00928080

Gurugram, 11th August, 2023

ANNEXURE D

Information in accordance with the provision of Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given below:

a. Conservation of Energy

The operations of your Company are not energy intensive however the Company has undertaken several steps for energy conservation like monitoring of DG sets, using energy efficient computers and laptops, Air-conditioners are used only when required and thereby enhancing energy efficiency.

b. Technology Absorption

The Company is in fashion oriented industry. The Company relies heavily on its Italian office for design and product development. Access to Italian facilities is available for Indian operations thereby facilitating transfer of know-how.

c. Foreign Exchange Earnings & Outgo

The information on foreign exchange earnings and outgo are Earnings: Rs. 62,203.09/- Lakhs Expenditure: Rs. 27,667.67/- Lakhs.

For and on behalf of the Board

Snehdeep Aggarwal
Chairman
DIN: 00928080

Gurugram, 11th August, 2023

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2023, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance revolves around the principles of ethical governance which guides and directs the management to conduct the business in an efficient manner to meet its obligations towards shareholders' and other stakeholders' expectations. Corporate Governance, which aims to promote fairness, transparency and integrity of the management, is not a mere legal compulsion but rather a way of life, which helps in inspiring and strengthening investor's confidence in the Company.

In rapidly changing business and technological environment, Bhartiya International Limited ("BIL") maintains its industry leadership through continuous endeavor to improve upon governance aspects on an on-going basis and adopts innovative approaches for leveraging resources, converting opportunities and motivation fostering a healthy growth and development of human resources thus generated confidence among business partners, customers and investors and at the same time fulfills its social responsibilities.

During the Financial year 2022-2023, the Company is in compliance of the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations / SEBI Listing Regulations] as applicable, with regard to Corporate Governance.

The detailed Corporate Governance Report of BIL is as follows:

BOARD OF DIRECTORS

The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures. In addition, the Board has created sub-committees to oversee the functions of executive management.

a. Composition of the Board, Other Directorships and Committee Memberships:

The composition of the Board is in conformity with the Companies Act, 2013 and SEBI LODR Regulations.

As on 31st March, 2023, the Board strength comprises of eight Directors and three out of them are Non-Executive Directors. There are Four Independent Directors (out of which one is woman Director) on the Board who are professionals with high credentials and actively contributing in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

The details of each member of the Board along with the number of Directorships/Committee Memberships are as given below:

Name	Director Identification Number	Date of Appointment	Category of Directors	Directorships in other Indian Public Limited Companies	Memberships/ Chairmanships of other Committees		List of Directorship held in Other Listed Companies and Category of Directorship
					Chairman	Member	
Mr. Snehideep Aggarwal	00928080	07-01-1987	Promoter, Non-Executive Chairman	-	-	-	-
Mr. Manoj Khattar	00694981	13-08-2018	Executive Director (Whole-Time Director)	5	1	-	-
Mr. Robert Burton Moore Jr.	08108097	16-04-2018	Non-Executive Non-Independent Director	-	-	-	-
Mr. Nikhil Aggarwal	01891082	04-10-2007	Non-Executive Non-Independent Director	-	-	-	-

Name	Director Identification Number	Date of Appointment	Category of Directors	Directorships in other Indian Public Limited Companies	Memberships/ Chairmanships of other Committees		List of Directorship held in Other Listed Companies and Category of Directorship
					Chairman	Member	
Mrs. Sannovanda Machaiah Swathi	06952954	01-04-2021	Non-Executive Independent Director	4	-	4	Simplex Castings Limited Non-Executive Independent Director PC Jeweller Limited Non-Executive Independent Director
Mr. Navkiran Singh Ghei	09649188	11-08-2022	Non-Executive Independent Director	-	-	-	-
Mr. Deepak Bhojwani	07351577	11-08-2022	Non-Executive Independent Director	-	-	-	-
Mr. Vivek Kapur	09678378	11-08-2022	Non-Executive Independent Director	-	-	-	-
Mr. Ramesh Bhatia#	00052320	06-09-1987	Promoter, Non-Executive Non-Independent Director	1	-	-	-
Mr. C. L. Handa#	00928283	26-05-2004	Non-Executive Independent Director	3	-	1	-
Mr. Sandeep Seth#	01408624	28-02-2002	Non-Executive Independent Director	2	-	1	-
Mr. Shashank#	01569514	30-07-2007	Non-Executive Independent Director	1	-	-	-
Mr. A. Sahasranaman#	01983690	30-06-2008	Non-Executive Independent Director	-	-	-	-

- #Mr. Ramesh Bhatia has resigned from the Board with effect from 23rd September, 2022 and Mr. C. L. Handa, Mr. Sandeep Seth, Mr. Shashank and Mr. A. Sahasranaman completed their tenures of five years as director on 29th September, 2022.
- The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies and is within respective limits prescribed under the Companies Act, 2013 ("Act") and Listing Regulations.
- Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies (excluding Bhartiya International Limited) have been considered. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
- The Independent Directors also meet the criteria as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013.
- Details of Director(s) retiring or being re-appointed are given in the notice to Annual General Meeting. The brief profile of the Board Members is given on the website of the Company www.bhartiya.com.
- Maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and rules made thereunder.
- Mr. Nikhil Aggarwal is the nephew of Mr. Snehdeep Aggarwal, Promoter Director. No other directors are related to each other.

b. Number of Board Meetings:

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions after complying with the provisions of the Companies Act, 2013 and rules made thereunder and also as per Secretarial Standards.

The notice of each Board Meeting is given in writing to each Director. The agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board.

In the financial year 2022-23, the Board met five times. The meetings were held on 30th May, 2022, 11th August, 2022, 23rd September, 2022, 11th November, 2022, and 13th February, 2023. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulations and Circulars issued from time to time.

The attendance of Directors at the Board meetings held during the financial year ended 31st March, 2023 and at the previous Annual General Meeting (AGM) was as under:

Name of Director	No. of Board Meetings Attended *	Attendance at Last AGM
Mr. Snehdeep Aggarwal	5	Absent
Mr. Manoj Khattar	5	Present
Mr. Robert Burton Moore Jr.	5	Absent
Mr. Nikhil Aggarwal	5	Absent
Mrs. Sannovanda Machaiah Swathi	5	Absent
Mr. Navkiran Singh Ghei	3	Absent
Mr. Deepak Bhojwani	3	Absent
Mr. Vivek Kapur	2	Present
Mr. Ramesh Bhatia	1	Absent
Mr. C. L. Handa	2	Absent
Mr. Sandeep Seth	3	Absent
Mr. Shashank	3	Absent
Mr. A. Sahasranaman	2	Absent

* Includes Meeting attended through Video/Tele Conference.

Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Human Resources, Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee inter alia considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various committees of other companies by such persons in accordance the terms and conditions of appointment of Independent Directors posted on Company's website. The Board considers the Committee's recommendation and takes appropriate decision.

Every Independent Director, at the first meeting of the Board in which he / she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he / she meets the criteria of independence as provided under the law and that he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence.

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 and Schedule IV of the Companies Act, 2013.

In the opinion of the Board, all the Independent Directors fulfil the criteria of independence as specified under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 149 and Schedule IV of the Companies Act, 2013 and they are independent from the Management.

c. Skills/expertise/competencies of the Board

The Board recognizes certain skills/expertise/competencies that are required by it to function effectively in the context of business of the Company and which inter-alia consists of experience and knowledge of the Leather and Textile Industry and specialist knowledge in various areas.

Board members have significant experience and expertise in the areas of corporate governance, strategy, finance, banking and marketing. The Company is managed by the Board of Directors in coordination with the Senior Management team. The Board periodically evaluates the need for change in its composition and size.

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of the Directors	Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)
Mr. Snehdeep Aggarwal	Leadership, Entrepreneurship, Global business and consumer understanding, Business Strategy and Corporate Management
Mr. Manoj Khattar	Financial matters including capital budgeting, planning & management, corporate finance experience.
Mr. Robert Burton Moore Jr.	Marketing specialist, Business Management
Mr. Nikhil Aggarwal	International Marketing and Business Management
Mrs. Sannovanda Machaiah Swathi	Expertise in Banking, Accounts and Finance matters.
Mr. Navkiran Singh Ghei	Retired as Lt. Gen from Indian Army, highly decorated Army Officer having wide ranging leadership, management and organizational experience spanning 40 years of an extremely successful and distinguished career. Experience of working in a Global environment, has represented the country and the Defense Services internationally on several occasions.
Mr. Deepak Bhojwani	Mr. Deepak Bhojwani joined the Indian Foreign Service (IFS) in 1978. Since then, he has served in three Continents - Asia, Europe and South America - as well as the Ministry of External Affairs in New Delhi. During his career, he was accredited as Ambassador in seven Latin American countries. He became a Joint Secretary in the Government of India in October, 1997.
Mr. Vivek Kapur	Expertise in Accounts and Finance matters.

d. Information Supplied to the Board

The Board has complete access to all the information with the Company. The Company provides the information as set out in Regulation 17(7) read with Part A of Schedule II of the SEBI LODR Regulations to the Board to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

e. Post Meeting Mechanism

The important decisions taken at the Board/Board Committee meetings are communicated to the concerned departments/divisions for their further actions.

f. Board Support

The Company Secretary attends the Board meetings and advises the Board on Compliances with applicable laws and governance.

g. Shareholding of Non-Executive Directors

As on 31st March, 2023, the shares held by the Non-Executive Directors is provided below:

Name of the Directors	No. of shares held
Mr. Snehdeep Aggarwal	1143362
Mr. Nikhil Aggarwal	20100

Further, none of the Non-Executive Directors holds any convertible Instruments of the Company.

h. Roles, Responsibilities and Duties of the Board

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

i. Independent Directors

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 is disclosed on the website of the Company www.bhartiya.com. The same is issued to Independent Directors on their appointment. In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed companies. Further, no Independent Director serves as a Whole-Time Director/Managing Director in any other listed company.

The Company has obtained a certificate from Practicing Company Secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

j. Familiarization Programme for Independent Directors

At the time of appointing an Independent Director, a formal letter of appointment is given to concerned Director, which inter alia explains the role, function, duties and responsibilities expected from a Director of the Company. The Director is also explained in detail the Compliance required from them under Companies Act, 2013, SEBI Listing Regulations and other various statutes and thereafter an affirmation is obtained. The Chairman also has a one to one discussion with the newly appointed Director to familiarize him/her with the Company's operations.

Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed on <https://www.bhartiyafashion.com/download/FAMILIARISATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-2022-2023.pdf>

k. Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he/she occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

COMMITTEES OF THE BOARD

The Board of Directors have constituted Board Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform its duties entrusted by the Board. To ensure good governance, the Minutes of the Committee Meetings are placed before the Board for their noting.

The Board has currently the following Committees:

A. AUDIT COMMITTEE

(i.) Composition

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls.

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulations. All members of the Audit Committee bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Mr. Vivek Kapur is the Chairman of the Audit Committee. Mr. Navkiran Singh Ghei and Mrs. Sannovanda Machaiah Swathi are the members of the Audit Committee.

The Audit Committee inter alia provides directions to and oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and carry out such others matters as required in terms of the Companies Act, 2013 and SEBI LODR Regulations. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Company Secretary acts as Secretary of the Audit Committee. The Statutory and Internal Auditors, Chief Financial Officer are invitees for the Audit Committee Meetings.

(ii.) Meetings and Attendance during the Financial Year 2022-23

The Members of the Audit Committee met four times during the Financial Year 2022-23. The Company is in full compliance with the provisions of Regulation 18 of the SEBI Listing Regulations on gaps between any two Audit Committee meetings. The Committee met on 30th May, 2022, 11th August, 2022, 11th November, 2022 and 13th February, 2023. The necessary quorum was present for all Meetings.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company. The Table below provides the attendance of the Audit Committee members:

Director	30.05.2022	11.08.2022	11.11.2022	13.02.2023
Mr. Sandeep Seth#	P	P	N.A.	N.A.
Mr. Shashank#	P	P	N.A.	N.A.
Mr. C.L. Handa#	P	P	N.A.	N.A.
Mr. Vivek Kapur*	N.A.	N.A.	P	P
Mr. Navkiran Singh Ghei*	N.A.	N.A.	P	P
Mrs. Sannovanda Machaiah Swathi*	N.A.	N.A.	P	P

* Mr. Vivek Kapur was appointed as a Chairman and Mr. Navkiran Singh Ghei and Mrs. Sannovanda Machaiah Swathi were appointed as a member of the Committee on 23rd September, 2022.

Mr. Sandeep Seth, Mr. Shashank and Mr. C.L. Handa completed their tenure as director on 29th September, 2022, accordingly ceased as member of committee.

Includes Meeting attended through Video/Tele Conference.

(iii) Terms of Reference

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, if any, and fixation of audit fees and other terms of appointment.
- c. Approving payment to statutory auditors, including cost auditors, if any, for any other services rendered by them.
- d. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report of the Company from time to time
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Modified opinion(s) in the draft audit report
- e. Reviewing with the management and Statutory Auditors, the quarterly and half yearly financial statements before submission to the Board for approval
- f. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

- g. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- h. Approval or any subsequent modification of transactions of the Company with related parties
- i. Scrutiny of inter-corporate loans and investments
- j. Review of valuation of undertakings or assets of the Company, wherever it is necessary
- k. Evaluation of internal financial controls and risk management systems
- l. Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- n. Discussion with internal auditors, any significant findings and follow-up thereon
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board
- p. Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- q. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- r. To review the functioning of the Whistle Blower mechanism
- s. Approval of appointment of the CFO or any other person heading the finance function or discharging that function after assessing qualifications, experience and background of the candidate
- t. Frame and review policies in relation to implementation of the Company's code of conduct and Code of conduct for prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- u. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- v. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- w. Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor
- x. statement of deviations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- y. Reviewing the utilization of loans and/or advances to/investment in the subsidiary company exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- z. Authority to review/investigate into any matter covered by Section 177 of the Companies Act, 2013 and the matters specified in Part C of schedule II to the Listing Regulations.

B. NOMINATION AND REMUNERATION COMMITTEE

(i) Composition

The Committee comprises of three Non-Executive Independent Directors in pursuant to Regulation 19 of the SEBI LODR Regulations. Mr. Vivek Kapur is the Chairman of the Committee. Other members of the Nomination and Remuneration Committee are Mr. Navkiran Singh Ghei and Mrs. Sannovanda Machaiah Swathi. Company Secretary acts as Secretary of the Nomination and Remuneration Committee. The Composition of Remuneration and Nomination Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

(ii) Meetings and Attendance during the financial year 2022-23

The Nomination and Remuneration Committee met two times during the year. The necessary quorum was present for the Meeting. The table below provides the Attendance of the Nomination and Remuneration Committee members:

Director	30.05.2022	11.08.2022
Mr. Sandeep Seth#	P	P
Mr. Shashank#	P	P
Mr. C.L. Handa#	P	P
Mr. Vivek Kapur*	N.A.	N.A.
Mr. Navkiran Singh Ghei*	N.A.	N.A.
Mrs. Sannovanda Machaiah Swathi*	N.A.	N.A.

* Mr. Vivek Kapur was appointed as a Chairman and Mr. Navkiran Singh Ghei and Mrs. Sannovanda Machaiah Swathi were appointed as a member of the Committee on 23rd September, 2022.

Mr. Sandeep Seth, Mr. Shashank and Mr. C.L. Handa completed their tenure as director on 29th September, 2022, accordingly ceased as member of committee from said date.

Includes Meeting attended through Video/Tele Conference.

(iii) Terms of reference

The broad terms of reference of the Nomination and Remuneration Committee are as under:-

- a. Identifying, evaluating, and recommending appropriate Independent Directors, Executive and Non -Executive Directors on the Board of the Company based on the qualifications, positive attributes, independence of a director and availability of time with him or her to devote to the job;
- b. Evaluating the skill, knowledge, experience and effectiveness of individual directors as well as the Board as a whole;
- c. Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors which includes a policy on Board diversity;
- d. Identifying the qualifications, positive attributes and evaluating and recommending the appointment and remuneration of Key Managerial Personnel and Senior Management of the Company, one level below the Board;
- e. Payment of remuneration to the directors shall be approved by a resolution passed by the Nomination and Remuneration Committee;
- f. All information about the Directors / Managing Directors / Whole time Directors i.e., background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to shareholders;
- g. The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole time Directors;
- h. While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- i. The relevant disclosures will be made in the Annual Report of the Company and wherever required;
- j. The Committee shall look into the administration and superintendence of the Employee Stock Option Scheme implemented by the Company from time to time including:
 - the quantum of options to be granted under Employees' Stock Option Scheme per employee and in aggregate;

- the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
 - the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
 - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
 - the right of an employee to exercise all options vested in him at one time or various points of time within the exercise period;
 - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
 - the granting, vesting and exercising of options in case of employees who are on long leave; and the procedure for cashless exercise of options.
- k. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

(iv) SENIOR MANAGEMENT

Particulars of Senior Management as on March 31, 2023:

S. No.	Name	Designation	Change (Appointment/Resignation) during FY 2022-23
1.	Mr. Raj Kumar Chawla	Chief Financial Officer	-
2.	Mr. Yogesh Kumar Gautam	Company Secretary	-
3.	Ms. Vijaya Raghavan	CEO/Head-Outwear	-
4.	Mr. Bopanna Madaiah Ballachanda	Chief Operating Officer	-

(v) Remuneration of Directors

Remuneration to Whole-Time Director (Executive Director)

Remuneration of the Whole-Time Director is determined periodically by the Nomination and Remuneration Committee and fixed by the Board within the permissible limits under the applicable provisions of law and approved by Shareholders.

Remuneration to Whole-Time Director for the financial year 2022-23 is as under:

Name of the Director	Salary (Rs.)	Stock Options	Notice Period
Mr. Manoj Khattar *	81,35,235	1199	3 months

*Salary includes Basic Salary, Perquisites & Allowances as per Income Tax Rules and contribution to Provident Fund.

Remuneration to Non- Executive Directors

The Non-Executive Directors are paid sitting fees within the limits prescribed under law.

The details of sitting fees paid for attending the Board/Committee Meetings to the Non-Executive Directors for the financial year 2022-23 is as under: -

Name of the Director	Board Meeting Fees (Rs.) *	Committee Meeting Fees (Rs.) *	Total (Rs.)
Mr. Snehdeep Aggarwal	-	-	-
Mr. C. L. Handa	27778	27778	55556
Mr. Ramesh Bhatia	11111	-	11111
Mr. A. Sahasranaman	55555	-	55555
Mr. Shashank	77776	33334	111112
Mr. Sandeep Seth	22222	33334	55556

Name of the Director	Board Meeting Fees (Rs.) *	Committee Meeting Fees (Rs.) *	Total (Rs.)
Mr. Nikhil Aggarwal	-	-	-
Mrs. Sannovanda Machaiah Swathi	147222	66666	213888
Mr. Robert Burton Moore Jr.	-	-	-
Mr. Vivek Kapur	55556	66666	122222
Mr. Navkiran Singh Ghei	83334	66666	150000
Mr. Deepak Bhojwani	83334	-	83334

* The above amounts are inclusive of taxes

No sitting Fees has been paid to Mr. Snehdeep Aggarwal, Mr. Robert Burton Moore Jr. and Mr. Nikhil Aggarwal during the year under review.

In addition, Mr. Snehdeep Aggarwal was paid a remuneration of Rs. 9,00,000/- for the year 2022-23 for his responsibilities as the Chairman of the Company.

Mr. Robert Burton Moore Jr., Non-Executive Director, was paid Consultancy Fees of Rs. 1,02,19,247/- during the year under review as approved by the shareholders of the Company in the Annual General Meeting held on 29th September, 2022 for holding office or place of profit.

The appointment of Directors, Key Managerial Personnel and other employees are governed by virtue of their employment/contract of service with the Company as management employees and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies.

There has been no other material pecuniary relationship or business transactions by the Company with any of the Non-Executive and Independent Directors of the Company during the year under review.

BOARD EVALUATION

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees on the evaluation criteria defined by Nomination and Remuneration Committee for performance evaluation process of the Board, its Committees and Directors.

A structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance was prepared after taking into consideration the Guidance note issued by SEBI vide circular no, CMD/CIR/P/2017/004 dated 05.01.2017 and circulated to each Board member to for evaluation.

The Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meeting of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board / Committee Meetings and guidance / support to the Management outside Board / Committee Meetings.

The performance assessment of Non-Independent Directors and the Whole Time Director, Board as a whole and the Chairman were evaluated in separate meetings of Independent Directors held on 21st March, 2023 without the presence of Non-Independent Directors and members of the management. The same was also discussed in the meetings of Nomination and Remuneration Committee and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The Board of Directors expressed their satisfaction with the evaluation process.

STAKEHOLDERS RELATIONSHIP COMMITTEE

(i) Composition

The Stakeholders Relationship Committee comprises of three Non-Executive Directors and all are Independent Directors in pursuant to Regulation 20 of the SEBI Listing Regulations. Mr. Vivek Kapur is the Chairman of the Stakeholders Relationship Committee. Other members of the Stakeholders Relationship Committee are Mr. Navkiran Singh Ghei and Mrs. Sannovanda Machaiah Swathi.

Company Secretary acts as Secretary to the Committee.

(ii) Compliance Officer

Mr. Yogesh Kumar Gautam, Company Secretary, is the Compliance Officer. His contact details are:- Bhartiya International Limited, 38, Sector-44, Gurugram - 122003, India. Tel: 0124-4888555, Email: yogesh.gautam@bhartiya.com

(iii) Meetings and Attendance during the Financial Year 2022-23

The Committee meets to attend shareholders queries together with the status report on the nature of queries received & the disposal thereof. Seven Committee Meetings were held during the financial year.

Director	30.05.2022	11.08.2022	07.11.2022	11.11.2022	24.11.2022	15.12.2022	13.02.2023
Mr. Sandeep Seth#	P	P	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Shashank#	P	P	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. C.L. Handa#	P	P	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Vivek Kapur*	N.A.	N.A.	P	P	P	P	P
Mr. Navkiran Singh Ghei*	N.A.	N.A.	P	P	P	P	P
Mrs. Sannovanda Machaiah Swathi*	N.A.	N.A.	P	P	P	P	P

* Mr. Vivek Kapur was appointed as a Chairman and Mr. Navkiran Singh Ghei and Mrs. Sannovanda Machaiah Swathi were appointed as a member of the Committee 23rd September, 2022.

Mr. Sandeep Seth, Mr. Shashank and Mr. C.L. Handa completed their tenure as director on 29th September, 2022, accordingly ceased as member of committee from said date.

Includes Meeting attended through Video/Tele Conference.

(iv) Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are as under:

- Oversee and review and approve all matters connected with the transfer, transposition and transmission of the Company's securities, deletion of names, change of names;
- Approve issue of the Company's duplicate share / debenture certificates, if any;
- Monitor redressal of investors' / shareholders' / security holders' grievances about non-receipt of declared dividend, non-receipt of Annual Reports;
- Oversee the performance of the Company's Registrars and Transfer Agents;
- Recommend methods to upgrade the standard of services to investors;
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading;
- To perform all functions relating to the interests of shareholders / investors of the Company as may be required by the provisions of the Companies Act, 2013, SEBI Listing Regulations with the Stock Exchanges and guidelines issued by the SEBI or any other regulatory authority.

Total number of complaints/communications received during the financial year were 1 (One) only and all of them have been redressed/answered to the satisfaction of shareholders. There was no grievance which was pending during the for financial year ending 31st March, 2023.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**(i) Composition**

The Committee comprises of three Directors. Mr. Snehdeep Aggarwal is the Chairman of the Committee. Other members of the Committee are Mr. Vivek Kapur and Mrs. Sannovanda Machaiah Swathi, Company Secretary acts as Secretary of the CSR Committee. The Composition of CSR Committee is in line with the provisions of Section 135 of the Companies Act, 2013.

(ii) Meetings and Attendance during the financial year 2021-22

Three Meetings of the Committee were held during the year.

Director	30.05.2022	11.08.2022	13.02.2023
Mr. Snehdeep Aggarwal	P	P	P
Mr. Ramesh Bhatia	P	P	N.A.
Mr. Sandeep Seth#	P	P	N.A.
Mr. Vivek Kapur#	N.A.	N.A.	P
Mrs. Sannovanda Machaiah Swathi#	N.A.	N.A.	P

Mr. Sandeep Seth completed his tenure as Director on 29th September, 2022, and Mr. Ramesh Bhatia has resigned w.e.f. 23rd September, 2022, accordingly ceased as members of committee from said dates and Mrs. Sannovanda Machaiah Swathi and Mr. Vivek Kapur were appointed as a members of the committee w.e.f 23rd September, 2023.

(iii) Terms of reference

The broad terms of reference of the CSR Committee are as under:-

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the framework of the CSR Policy.
- To disseminate factually correct information to investors, institutions and the public at large.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Considering the cause behind the formation of the CSR Committee, the members have refused to take sitting fees.

MANAGEMENT COMMITTEE**(i) Composition**

The Management Committee consists of three members. i.e. Mr. Snehdeep Aggarwal, Mr. Manoj Khattar and Mr. Vivek Kapur.

(ii) Meetings and Attendance during the financial year 2022-23

Nine Meetings of the Committee were held during the year 2022-23.

Meetings	Directors			
	Mr. Snehdeep Aggarwal	Mr. Manoj Khattar	Mr. C.L. Handa#	Mr. Vivek Kapur#
05.04.2022	P	P	A	N.A.
30.05.2022	P	P	A	N.A.
06.07.2022	P	P	A	N.A.
11.08.2022	P	P	A	N.A.
19.09.2022	P	P	P	N.A.
26.09.2022	P	P	N.A.	A
25.11.2022	P	P	N.A.	A
06.01.2023	P	P	N.A.	A
13.02.2023	P	P	N.A.	A

Mr. C.L. Handa completed his tenure as director on 29th September, 2022, accordingly ceased as member of committee from said date and Mr. Vivek Kapur was appointed as a member of the committee w.e.f. 23rd September, 2022.

(iii) Terms of Reference

The broad terms of reference of the Management Committee are as under:-

- a. Availing term loans/working capital facilities/vehicle loans for business purposes from banks/financial institutions for an amount not exceeding Rs.700 crore including accepting sanction letters and renewal of existing bank limits, forex transactions and all such matters which are required for dealing with the banks/ financial institutions on routine basis.
- b. Authorisation for dealing/liasing with various Statutory/Regulatory authorities including state, central authorities viz., Income Tax, FEMA, MCA, SEBI, Pollution Control Board, Municipal Corporation, Telecom authorities, Service Tax authorities, VAT authorities, GST authorities etc. and vendors.
- c. Authorisation for opening and closing of bank accounts, changes in signatories for operating the bank accounts etc.
- d. Authorisation for making investments in securities quoted on the stock exchanges.
- e. Authorisation for making investments in group companies.
- f. To take up any other assignments as may be granted by the Board from time to time.

MEETING OF INDEPENDENT DIRECTORS

As per Regulation 25(3) and 25(4) of the SEBI LODR Regulations, during the year under review, all the Independent Directors met on 15th March, 2023 and discussed inter-alia on:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Whole-time Director of the Company, taking into account the views of the Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Directors also discussed on the compliance status and the performance of the Company over a period of three years and expressed their satisfaction on the same.

GENERAL BODY MEETINGS

The location and time of the Annual General Meeting held during the last 3 years were as follows:-

Annual General Meeting (AGM)	Date	Time of AGM	Location	No. of Special Resolutions passed
35 th AGM	29 th September, 2022	11:00 A.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility	4
34 th AGM	29 th September, 2021	11:00 A.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility	2
33 rd AGM	29 th September, 2020	02.00 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility	1

No Extraordinary General Meetings were held during the last 3 years.

Special Resolution proposed to be passed by way of Postal Ballot

None of the businesses proposed to be transacted in the ensuing AGM require the passing of a special resolution by way of Postal Ballot.

CREDIT RATING

Rating Committee of India Ratings and Research (Ind-Ra) has upgraded the long-term issuer rating of the Company to **IND BBB** (pronounced IND triple B) with **stable outlook**. Ind-Ra has assigned rating of IND BBB/ Stable/ IND A2 for Fund-based based working capital limits of Rs. 471.10 crores and term loan of Rs. 69.50 crores. Agency has assigned rating IND A2 for non-fund based working capital limits of Rs. 66.35 cr. The outlook on the long-term rating has been revised from Negative to Stable.

MEANS OF COMMUNICATION

- (i) The Unaudited quarterly/half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulations, with the Stock Exchanges.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper. In addition, the same are published in local language newspaper (Business Standard in English, Hindi and Hindu in Tamil), within forty-eight hours of approval thereof.
- (iii) The Company's financial results and officials press releases are displayed on the Bhartiya Group's website: www.bhartiya.com.
- (iv) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- (v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre and NSE's NEAPS Portal.
- (vi) Investors' presentation etc. are sent to stock exchanges and uploaded on the Company's website. Half yearly communication on the operational and financial performance of the Company is sent to the shareholders.
- (vii) A separate dedicated section under "Investor Relations", on the Company's website gives information on all disclosures filed with stock exchanges and all other information and documents that are required to be placed on the website of the Company under SEBI LODR regulations and other relevant information of interest to the investors / public.

GENERAL SHAREHOLDER INFORMATION

1.	AGM: Date, Time and Mode:	Day and Date: Friday, 29 th September, 2023 Time: 11:00 a.m. Through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.
2.	Financial Calendar for 2023-24	
	Financial year - April to March	
	Results for Quarter ending 30 th June 2023:	by 14 th of August, 2023
	Results for Quarter ending 30 th September 2023:	by 14 th of November, 2023
	Results for Quarter ending 31 st December 2023:	by 14 th of February, 2024
	Year ending 31 st March 2024:	by 30 th of May, 2024
3.	Book Closure:	Saturday the 23 rd September, 2023 to Friday the 29 th September, 2023 (both days inclusive)
4.	Dividend Payment Date:	Not applicable

5. Listing on Stock Exchanges & Stock Code

The Company is listed at following Stock Exchanges:-

- BSE Limited (Stock Code: 526666) and
- National Stock Exchange of India Ltd. (Stock Code: Symbol-BIL, Series - BE)

The Annual listing fee for the year 2022-23 has been duly paid to both the Stock Exchanges. Demat ISIN Number with NSDL & CDSL for Equity shares - INE 828A01016

Annual Custody Issuer fee for the financial year 2022-23 has been paid by the Company to NSDL and CDSL.

6. Exclusive E-mail Id For Communication of Investors' Grievances

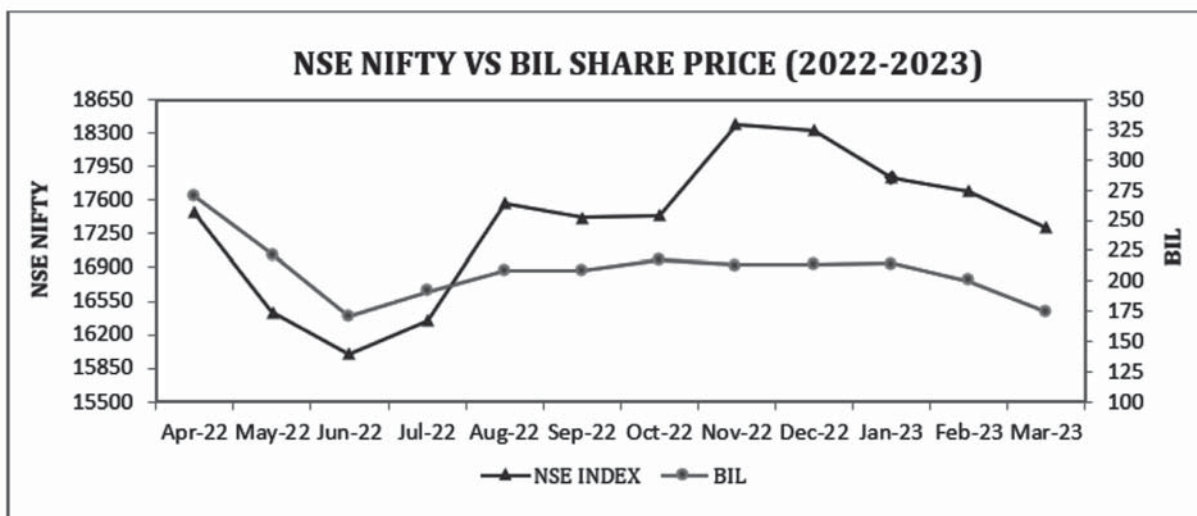
The E-mail ID sm@masserv.com / shares@bhartia.com has been designated exclusively for communicating investors' grievances, if any.

7. Market Price Data: High, Low during each month in last financial year:

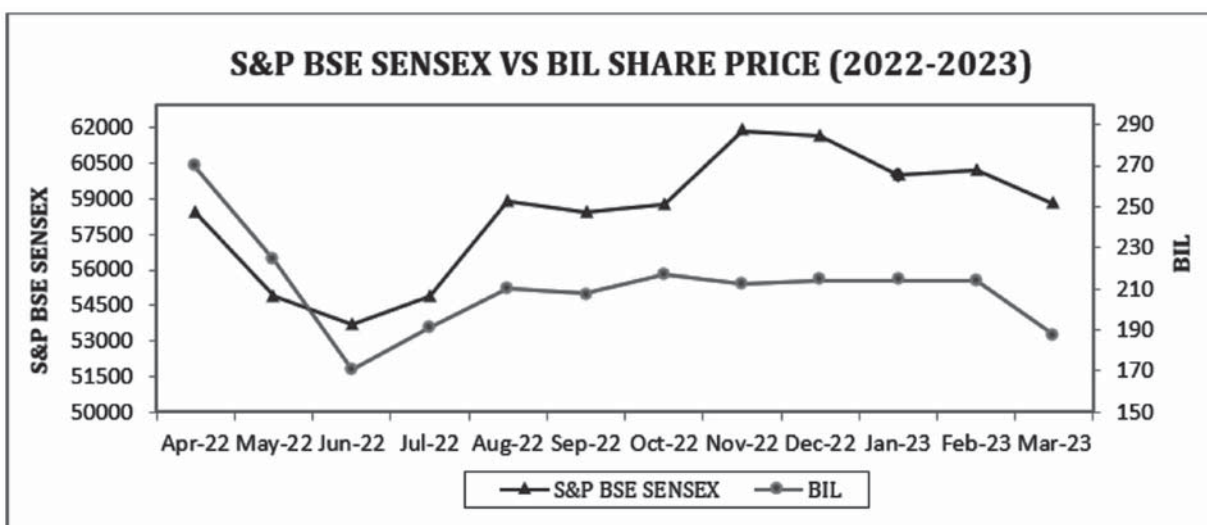
Stock Performance in comparison to broad-based indices such as Nifty, S&P Sensex, etc.

NSE

Months	BIL			Months	NSE Nifty		
	High (Rs.)	Low (Rs.)	Average (Rs.)		High (Rs.)	Low (Rs.)	Average (Rs.)
Apr-22	290.00	251.25	270.63	Apr-22	18114.65	16824.70	17469.68
May-22	288.00	157.00	222.50	May-22	17132.85	15735.75	16434.30
Jun-22	190.15	151.50	170.83	Jun-22	16793.85	15183.40	15988.63
Jul-22	226.65	156.05	191.35	Jul-22	17172.80	15511.05	16341.93
Aug-22	225.00	192.10	208.55	Aug-22	17992.20	17154.80	17573.50
Sep-22	226.00	190.25	208.13	Sep-22	18096.15	16747.70	17421.93
Oct-22	234.70	201.10	217.90	Oct-22	18022.80	16855.55	17439.18
Nov-22	225.00	201.05	213.03	Nov-22	18816.05	17959.20	18387.63
Dec-22	238.00	190.25	214.13	Dec-22	18887.60	17774.25	18330.93
Jan-23	229.45	200.00	214.73	Jan-23	18251.95	17405.55	17828.75
Feb-23	210.00	190.15	200.08	Feb-23	18134.75	17255.20	17694.98
Mar-23	203.95	145.30	174.63	Mar-23	17799.95	16828.35	17314.15

**BSE**

Months	BIL			Months	NSE Nifty		
	High (Rs.)	Low (Rs.)	Average (Rs.)		High (Rs.)	Low (Rs.)	Average (Rs.)
Apr-22	287.95	251.00	269.48	Apr-22	60845.10	56009.07	58427.09
May-22	292.00	156.15	224.08	May-22	57184.21	52632.48	54908.35
Jun-22	191.95	150.05	171.00	Jun-22	56432.65	50921.22	53676.94
Jul-22	226.00	156.10	191.05	Jul-22	57619.27	52094.25	54856.76
Aug-22	229.95	189.80	209.88	Aug-22	60411.20	57367.47	58889.34
Sep-22	227.00	188.20	207.60	Sep-22	60676.12	56147.23	58411.68
Oct-22	234.05	200.00	217.03	Oct-22	60786.70	56683.40	58735.05
Nov-22	221.50	203.05	212.28	Nov-22	63303.01	60425.47	61864.24
Dec-22	238.05	190.30	214.18	Dec-22	63583.07	59754.10	61668.59
Jan-23	228.25	200.00	214.13	Jan-23	61343.96	58699.20	60021.58
Feb-23	239.00	188.60	213.80	Feb-23	61682.25	58795.97	60239.11
Mar-23	226.95	147.65	187.30	Mar-23	60498.48	57084.91	58791.70



8. Registrar & Share Transfer Agent : MAS Services Ltd.

(For both Physical & Electronic Transfer etc.)

T-34, 2nd Floor, Okhla Industrial Area,
Phase-II, New Delhi - 110 020
Tel. No. 26387281-83, Fax No. 26387384
E-mail: info@masserv.com

9. Share Transfer System:

In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialised form. Requests for dematerialisation of securities are processed and confirmation thereof is given to the respective depositories, that is the National Securities Depository Limited (NSDL) and the Central Depository Services India Limited (CDSL), within the statutory time limit from the date of receipt of share certificates/ letter of confirmation after due verification.

10. Distribution of Shareholding as on 31st March, 2023

No. of Shares	Shareholders		Shareholding	
	Number	% to total	Number	% to total
Upto 500	5654	92.36	415900	3.41
501-1000	186	3.04	144126	1.18
1001-2000	99	1.62	141745	1.16
2001-3000	34	0.56	87175	0.71
3001-4000	22	0.36	81348	0.67
4001-5000	17	0.28	77087	0.63
5001-10000	45	0.74	326079	2.67
10001 & above	65	1.06	10933669	89.57
Total	6122	100.00	12207129	100.00

11. Shareholding Pattern as on 31st March, 2023

Category	No. of Share held	% of Paid-up Capital
Promoters Holding	1483612	12.15
Persons acting in concert	5518037	45.21
Banks/Financial Institutions	200	0.00
Central Government/State Government (IEPF)	59169	0.48
NRIs/OCBs/Foreign National/FII/FFI	1076383	8.82
Indian Corporate Bodies/LLPs/ Trusts	1835289	15.03
Indian Public (Individual and HUF)	2192601	17.96
Directors and relatives	40025	0.33
Clearing Members	1813	0.02
Total	12207129	100.00

12. Dematerialization of shares and liquidity share

: As on 31st March, 2023, 99.25% of the Paid-up capital has been dematerialized.

13. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

: During the year under review, the Company not issued neither allotted warrants or any convertible instruments, which was impact on equity.

14. Plant Locations

: Bangalore, Chennai, Tada.

15. Address for Correspondence

: Registered Office
Bhartiya International Limited
56/7, Nallambakkam Village,
(Via Vandalur), Chennai – 600 048. Tamil Nadu
Tel No.: +91 9551050148/19/20/21
E-mail: shares@bhartiya.com

Company Secretary and Compliance Officer
Mr. Yogesh Kumar Gautam
Bhartiya International Limited
56/7, Nallambakkam Village,
(Via Vandalur), Chennai –600 048. Tamil Nadu
Tel No.: +91 9551050148/19/20/21
E-mail: shares@bhartiya.com

DISCLOSURES

1. The Company is in compliance with all the mandatory requirements under the Listing Regulations.
2. All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the SEBI Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company (www.bhartiya.com).

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

3. In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements
4. Company has laid down adequate procedure to inform the Board about the risk assessment and risk minimization procedures. Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.
5. Commodity price risks and commodity hedging activities – The Company is exposed to the risk of price fluctuation of raw materials and manages these risks proactively through inventory management and proactive vendor development practices.
6. There have been no instances of non-compliance by the Company on any matter related to capital markets and no penalties or strictures have been imposed by SEBI or the Stock Exchange during the last three years.
7. In compliance with the SEBI regulations on prevention of Insider Trading, the Company has constituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violation. Further, as per the guidelines on SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has implemented a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information.
8. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). **Not Applicable**
9. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Company has obtained the certificate in this regard and the same is annexed as a part of the report.
10. Whether the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year. **Not Applicable.**
11. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part - Details relating to fees paid to the Statutory Auditors are given in Note 47 to the Standalone Financial Statements and Note 38 to the Consolidated Financial Statements.
12. Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanization provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.
13. **Demat Suspense Account/ Unclaimed Suspense Account** - The Company does not have any shares in the demat suspense account or unclaimed suspense account.

14. **SUBSIDIARY COMPANY**

None of the subsidiary of the Company falls within the meaning of "Material Non-listed Indian subsidiary" as designed by the SEBI Listing Regulations. However, the Company has formulated the Material Subsidiary policy and uploaded the same on the website of the Company (www.bhartiya.com).

The Company monitors the performance of its subsidiary companies, inter alia, by the following means:

The financial statements and the minutes of the Board Meetings of the subsidiary companies are noted at the Board Meetings respectively of the Company.

15. The Company has complied with all mandatory requirements of Corporate Governance as specified under SEBI Listing Regulations. The company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and sub-regulation (2) of the Regulation 46 of the Listing Regulations.

During the year under review the Company and / or its subsidiaries have not given any loan and advances whether directly or indirectly to Firms/ Companies in which any of the Director is interested.

NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also adopted the following discretionary requirements as provided in the Listing Regulations:

- (i) The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Whole-Time Director & CEO.
- (ii) The Internal Auditor reports to the Audit Committee.
- (iii) The financial statements of the Company are with unmodified audit opinion.

Insider Trading Code

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended in 2018 ("The PIT Regulations").

The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed Company.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

Code of Conduct

As per requirement of Regulation 17(5) of the SEBI Listing Regulations, with the Stock Exchanges, the Board has laid down a Code of Conduct ("the Code") for all Board members and Senior Management Personnel of the Company. The Code is posted on the website of Bhartiya Group www.bhartiya.com. All Board members and Senior Management Personnel affirm at firm compliance with the code on an annual basis and the declaration to that effect by Mr. Snehdeep Aggarwal, Chairman, is attached to this report.

A Code of conduct applicable to all the employees of the Group has been communicated, which are to be followed in day to day work life. To help, guide and align our behaviors as we make business decisions that impact our daily operations, we rely on our Employee Code of Conduct, which outlines our values and describes our standards for conduct, compliance, and avoiding conflicts of interest. It supports our continuing commitment to honest and ethical conduct and compliance with both the letter and the spirit of all laws, rules, and regulations, and our company's policies, standards, and procedures.

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate and to take necessary penal action for any act of sexual harassment, which includes unwelcome sexually determined behaviour. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment. There is no instance of sexual harassment reported during the financial year ending 2022-23.

NSE ELECTRONIC APPLICATIONS PROCESSING SYSTEMS (NEAPS) and BSE LISTING CENTER

All compliances related filings like financials results, shareholding pattern, corporate governance report, investors' complaints status, media releases etc. are also filed electronically in NEAPS and BSE Listing Center.

SEBI COMPLAINT REDRESS SYSTEM (SCORES)

The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by the investors of actions taken on the complaints and its current status.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

MDA is attached separately in this Annual Report.

Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report there on is submitted to the Stock Exchanges and is placed before the Stakeholders Relationship Committee of the Board of Directors of the Company. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

Corporate Identity Number (CIN)

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L74899TN1987PLC111744.

Transfer of unclaimed / unpaid amounts / shares to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has to transfer to the IEPF Authority, established by the Central Government the dividend amounts, application money, principal amounts of debentures and deposits as well as the interest accruing thereon, sale proceeds of fractional shares, redemption amount of preference shares, etc. remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment.

Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividend amounts remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for 7 consecutive years of the Company. Further, shares of the Company, in respect of which dividends have not been claimed for 7 consecutive years or more, have also been transferred to the demat account of the IEPF Authority.

The details of the unclaimed dividends and shares transferred to IEPF during FY 2022-23 are as follows:

Particulars	Amount in Dividend (In Rs.)	No. of Shares
Final Dividend 2014-15	1,00,434	3,207
Total	1,00,434	3,207

The Members who have a claim on the above dividends and shares may claim the same from the IEPF Authority by submitting an online application in the prescribed web-Form No. IEPF-5 available on the website www.iepf.gov.in and send an original form and acknowledgement, along with requisite documents duly self-certified by the claimant(s), duly self-certified, of the said Form and acknowledgement along with requisite documents, as enumerated in the Instruction Kit, to the Company for vetting and suitable recommendation to IEPF Authority. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/ Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

The Company strongly recommends shareholders to encash / claim their respective dividend within the period given below from the Company's Registrar and Share Transfer Agents:

Financial Year Ended	Date by which unclaimed dividend amount will be credited/transferred to the "Investor Education and Protection Fund"
31.03.2016	03.11.2023
31.03.2017	01.11.2024
31.03.2018	02.11.2025
31.03.2019	31.10.2026
31.03.2020	N.A.
31.03.2021	N.A.
31.03.2022	N.A.
31.03.2023	N.A.

Members who have not encashed their Dividend Warrants for the above financial years/period, may approach the Company's Registrar & Share Transfer Agent/Company for obtaining duplicate Dividend Warrants/Revalidation of Dividend Warrants or transfer of dividend amount into their bank accounts.

Whilst the Company has already written to the Members, informing them about the due dates for transfer to IEPF for unclaimed dividends/ interest payments, attention of the stakeholders is again drawn to this matter through the Annual Report. The data on unpaid/ unclaimed dividend and other unclaimed monies is also available on the Company's website at www.bhartiya.com under Investor Relations section. Those claimants who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company/ Registrar and Transfer Agents, at the earliest. Members may refer to the Refund Procedure for claiming the amounts transferred to the IEPF Authority as detailed on <http://www.iepf.gov.in/IEPF/refund.html>.

Mr Yogesh Kumar Gautam, Company Secretary, is the Nodal Officer. His contact details are – Bhartiya International Limited, Plot no. 38, Sector-44, Gurgaon, India. Tel: 0124-4888555 (Extn.-8511) Email: yogesh.gautam@bhartiya.com.

Upto March 31, 2023, the Company has transferred 3207 (0.026%) equity shares of Rs. 10 each, on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, to Investor Education and Protection Fund Authority (IEPF Authority).

Dematerialization of Shares – Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- a. Demat account should be opened with a Depository Participant (DP).
- b. Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- c. DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- d. DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), i.e Mas Services Limited.
- e. RTA will process the DRF and update the status to DP/ Depositories.
- f. Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

Nomination Facility

Your Company is pleased to offer the facility of nomination to members. Pursuant to Section 72 of the Companies Act, 2013, the members, who hold shares in the physical form and wish to avail nomination facility, are requested to send the duly complete nomination form, available on the website of the Company www.bhartiya.com, to the Registrar and Share transfer Agent of the Company. The Members, who hold shares in the electronic form and wish to avail nomination facility, are requested to send separate request to their respective Depository Participant(s) only.

Consolidation of Folios and avoidance of Multiple Mailing

In order to enable the Company to reduce costs and duplication of efforts for investor servicing, members who may have more than one folio in their individual name or jointly with other persons mentioned in the same order, are requested to consolidate all similar holdings under one folio. This would help in monitoring the folios more effectively. Members may write to the Registrar and Share Transfer Agent at their address given earlier, indicating the folio numbers to be consolidated.

National Electronic Clearing Services (NECS) Mandate

Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their respective Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Company's Registrar and Share Transfer Agent.

Compliance Certificate

The Statutory Auditors M/s. Sushil Poddar & Co., Chartered Accountants, have certified that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations and the same is annexed to this Report.

CODE OF CONDUCT DECLARATION**Declaration**

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As provided under Regulation 26 (3) of the SEBI Listing Regulations, all Board Members and Senior Management Personnel have affirmed compliance with Bhartiya International Limited Code of Business Conduct and Ethics for the year ended 31st March, 2023.

Gurugram, 30th May, 2023

Sd/-
Snehdeep Aggarwal
Chairman

CEO/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31st March, 2023)

To,
The Board of Directors
Bhartiya International Limited

We, Manoj Khattar, Whole-Time Director and Raj Kumar Chawla, Chief Financial Officer, responsible for the finance function to the best of our knowledge and belief, certify that:-

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2023 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. i. There has not been any significant change in internal control over financial reporting during the year under reference;
- ii. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
- iii. We are not aware of any instance during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board

Gurugram, 30th May, 2023

Sd/-
Manoj Khattar
Whole-Time Director

Sd/-
Raj Kumar Chawla
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,
The Members
BHARTIYA INTERNATIONAL LIMITED
56/7, Nallambakkam Village (Via Vandalur)
Chennai, Tamilnadu 600048

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BHARTIYA INTERNATIONAL LIMITED having CIN L74899TN1987PLC111744 and having registered office at 56/7, Nallambakkam Village (Via Vandalur) Chennai, Tamilnadu 600048 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company, Our responsibility is to express an opinion on these based on our verification, This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RSM & Co.
Company Secretaries**

**Sd/-
CS RAVI SHARMA
Partner**

**FCS: 4468 | COP No.: 3666
UDIN: F004468E000754131
Peer Review Cert. No 978/2020**

New Delhi, 11th August, 2023

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Bhartiya International Limited.

We have examined the compliance of Conditions of Corporate Governance by Bhartiya International Limited ("the Company") for the financial year ended on 31st March, 2023 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RSM & Co.
Company Secretaries**

**Sd/-
CS RAVI SHARMA
Partner**

**FCS: 4468 | COP No.: 3666
UDIN: 23094479BGUZEX7105
Peer Review Cert. No 978/2020**

New Delhi, 11th August, 2023

INDEPENDENT AUDITORS' REPORT

**To the Members of
Bhartiya International Limited
Report on the Audit of the Consolidated Financial Statements**

Opinion

We have audited the accompanying Consolidated Financial Statements of Bhartiya International Limited ('the Holding Company') and its subsidiaries (the Holding company and its subsidiaries together referred to as 'the Group') and its associate comprising the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of a subsidiary as was audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at March 31, 2023, its Consolidated Profit and Consolidated Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibility for the Audit of the Consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the other matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p><u>Revenue Recognition:</u></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue" is recognized when Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer.</p> <p>The timing of revenue recognition is relevant to the reported performance of the company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 4.10 to the Consolidated Financial Statements.</p>	<p><u>Principal audit procedures performed:</u></p> <ul style="list-style-type: none"> • Assessed the Company's revenue recognition accounting policies in line with the Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. • Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over revenue recognition. • Evaluated the design, implementation and operating effectiveness of Company's control in respect of revenue recognition. • Tested the effectiveness of such controls over revenue cut off at the year-end • On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents. • Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end. • Assessed disclosure in financial statements in respect of revenue, as specified in Ind AS 115.

Information Other than the Financial Statement and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

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

The Holding Company's Board of Directors is responsible for the preparation & presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Cash Flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors /management of the companies included in the Group, and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the group and its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 holding 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 ability of the group & its associates 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 consolidated 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 Group & its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group & its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial Statement of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements of seven subsidiaries, whose financial statements reflect total assets of Rs 18,671.25 lacs as at March 31, 2023, total revenues of Rs. 17,508.39 lacs and net cash inflows amounting to Rs.142.07 lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their countries and which have been audit by other auditors under generally accepted auditing standards applicable in their countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These financial statements which were converted into generally accepted accounting principles in India has also been reviewed by an independent Chartered Accountant. Our opinion in so far as it related to the balances and affairs of such subsidiaries located outside India is based on the report of the other auditors and the review report of the independent Chartered Accountant furnished to us by the management.

We have relied on the review report of an independent Chartered Accountant, other than the statutory auditor of the holding company, for the consolidated financial statement and other financial information prepared and approved by the board of directors of one associate wherein the group's share of Net Profit aggregate to Rs 4,815.92 lacs. Financial statements of another associate has been audited by other auditor, wherein the group share of Net Profit aggregate to Rs. Nil. These financial statements have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31st, 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31st, 2023 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its Indian Subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group & its associates.
 - ii) The provision has been made in the Consolidated Financial Statement as required under the applicable law or Ind As, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India.
 - iv)
 - a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate)

have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) No dividend has been declared or paid during the year by the holding Company or its subsidiaries.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail facility is applicable from April 1, 2023 to the companies and its subsidiaries, accordingly reporting under Rule 11(g) is not applicable for the financial year ending 31st March 2023.

for Sushil Poddar & Co.

Chartered Accountants

Firm's Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

UDIN: 23094479BGUZW9329

Gurugram, 30th May, 2023

ANNEXURE A

To the Independent Auditor's report on the consolidated financial statements of Bhartiya International Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO:

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report
1	Bhartiya International Ltd	L748997N1987PLC111744	Holding Company	Clause (i)(c)

* This clause pertains to title deeds of certain immovable properties not held in the name of the respective companies.

for Sushil Poddar & Co.

Chartered Accountants

Firm's Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

UDIN: 23094479BGUZCW9329

Gurugram, 30th May, 2023

ANNEXURE B TO THE AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31st, 2023, we have audited the internal financial controls over financial reporting of Bhartiya International Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 consolidated 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 system over financial reporting with reference to these consolidated 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 consolidated 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 auditors' judgment, 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, and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding 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 ICAI.

for Sushil Poddar & Co.

Chartered Accountants

Firm's Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

UDIN: 23094479BGUZW9329

Gurugram, 30th May, 2023

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023**Rs. in Lakhs**

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
I Assets			
1 Non - Current Assets			
(a) Property, Plant and Equipment	5	14,315.38	12,396.88
(b) Capital Work-in-Progress	5.1	-	811.52
(c) Right to Use Asset	5.2	1,056.64	1,119.72
(d) Investment in Property	6	518.50	529.41
(e) Goodwill		25.25	25.25
(f) Intangible Assets	7	3,988.58	5,309.13
(g) Investments Accounted for using Equity Method	8	5,403.15	587.23
(h) Financial Assets			
(i) Investments	9	35.01	35.01
(ii) Other financial Assets	10	2,527.36	197.62
(i) Deferred tax assets		100.89	-
(j) Other Non-Current Assets	11	74.69	75.54
2 Current Assets			
(a) Inventories	12	52,118.89	46,392.46
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade Receivables	14	12,969.92	12,978.36
(iii) Cash and Cash Equivalents	15	874.20	3,325.82
(iv) Bank Balances other than Cash & Cash Equivalents	16	2,385.02	4,268.82
(v) Loans	17	158.83	112.81
(vi) Others Financial Assets	18	2,093.47	3,382.92
(c) Current Tax Assets (net)		129.69	192.75
(d) Other Current Assets	19	2,482.20	2,547.19
TOTAL ASSETS		<u>1,01,257.67</u>	<u>94,288.44</u>
II Equity and Liabilities			
1 Equity			
(a) Equity Share Capital	20	1,220.71	1,220.71
(b) Other Equity	21	37,565.80	31,105.35
2 Liabilities			
Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	16,612.23	16,511.09
(ii) Lease Liability		578.84	628.21
(iii) Other Financial Liabilities	23	168.59	156.97
(b) Provisions	24	67.98	45.16
(c) Other Non-Current Liabilities	25	100.56	122.26
(d) Deferred Tax Liabilities		808.57	751.02
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	32,803.88	30,547.95
(ii) Lease Liability		116.37	99.82
(iii) Trade payables	27		
- Total outstanding dues of micro enterprises and small enterprises		868.24	488.99
- Total outstanding dues of creditors other than micro enterprises and small enterprises		8,237.92	11,262.84
(iv) Other Financial Liabilities	28	1,525.87	928.71
(c) Provisions	29	172.42	285.72
(d) Other Current Liabilities	30	21.27	130.97
(e) Current Tax Liabilities (Net)		388.72	2.67
TOTAL OF EQUITY AND LIABILITIES		<u>1,01,257.67</u>	<u>94,288.44</u>
Significant Accounting Policies	4		
The accompanying notes are an integral part of the financial statements	1 to 50		

As per our report of even date attached

For SUSHIL PODDAR & CO.

Chartered Accountants

Firm Reg. No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

For and on behalf of the Board**Manoj Khattar**

Whole-Time Director

DIN: 00694981

Vivek Kapur

Director

DIN: 09678378

Gurugram, 30th May, 2023

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

Particulars	Note No.	Year Ended 31st March, 2023	Year Ended 31st March, 2022
INCOME			
Revenue from Operations	31	79,859.80	69,350.95
Other Income	32	335.74	3,217.40
Total Income		<u>80,195.54</u>	<u>72,568.35</u>
EXPENSES			
Cost of Material Consumed	33	34,922.14	32,001.99
Purchases of Stock-in-Trade		8,879.96	12,024.37
Change in Inventories of Finished Goods	34	1,217.02	(1,753.80)
Employee Benefits Expense	35	5,918.04	5,164.67
Finance Costs	36	3,669.60	2,327.53
Depreciation and Amortization Expense	37	2,522.78	2,380.63
Other Expenses	38	21,031.33	18,366.37
Total Expenses		<u>78,160.87</u>	<u>70,511.76</u>
Profit/ (Loss) before Share of net Profit/(Loss) of Associate		<u>2,034.67</u>	<u>2,056.59</u>
Share of net profit/(Loss) of Associates		4,815.92	(3,167.02)
III Profit/ (Loss) before exceptional Items and tax		<u>6,850.59</u>	<u>(1,110.43)</u>
Exceptional Items		-	-
Profit / (Loss) before tax		6,850.59	(1,110.43)
Tax Expenses	39		
I Current Tax		624.92	369.49
ii Deferred Tax		(31.96)	176.51
Profit / (Loss) for the year (A)		<u>6,257.63</u>	<u>(1,656.43)</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Remeasurements of the defined benefit plans		(45.22)	33.96
Income tax relating to above items		11.38	(8.70)
Total Other Comprehensive Income for the Year (B)		<u>(33.84)</u>	<u>25.26</u>
Total Comprehensive Income for the Year		<u>6,223.79</u>	<u>(1,631.17)</u>
Profit Attributable to :			
Owners		6,261.14	(1,653.02)
Non-controlling Interests		(3.51)	(3.41)
Other Comprehensive income Attributable to :			
Owners		(33.84)	25.26
Non-controlling Interests		-	-
Total Comprehensive income Attributable to :			
Owners		6,227.30	(1,627.76)
Non-controlling Interests		(3.51)	(3.41)
Earnings per equity share of Face Value			
Basic (in Rupees)		50.98	(13.36)
Diluted (in Rupees)		50.91	(13.34)
Significant Accounting Policies	4		
The accompanying notes are an integral part of the financial statements	1 to 50		

As per our report of even date attached

For SUSHIL PODDAR & CO.Chartered Accountants
Firm Reg. No. 014969N**S.K. Poddar**Partner
Mem. No. 094479**Yogesh Kumar Gautam**

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

For and on behalf of the Board**Manoj Khattar**Whole-Time Director
DIN: 00694981**Vivek Kapur**Director
DIN: 09678378

Gurugram, 30th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

Equity Share Capital	Rs. in Lakhs										
Particulars	Notes										Amount
Balance as at 31st March, 2021											1,220.24
Change in equity share capital during the year 2021-22											0.47
Balance as at 31st March, 2022											1,220.71
Change in equity share capital during the year 2022-23											-
Balance as at 31st March, 2023											1,220.71
Other Equity (Refer note no. 21)											-
Particulars	Reserves and Surplus										Total
	Share application money pending for allotment	Employee Stock Options outstanding	Preferential share Warrant Forfeited	Non-controlling Interest	Foreign Currency Translation Reserve (FCTR)	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (defined benefit plan)	
Balance as at 31st March, 2021	0.37	109.97	925.75	142.96	643.32	8,470.77	7,836.81	3,625.38	11,008.97	47.44	32,811.74
Profit for the year	-	-	-	(3.41)	-	-	-	-	(1,653.02)	-	(1,656.43)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	25.26	25.26
Transfer to Security premium on issue of share	-	(20.53)	-	-	-	-	22.43	-	-	-	(1.90)
Currency Fluctuation Reserve	-	-	-	-	(76.75)	-	-	-	-	-	(76.75)
Money Received during the year	(0.37)	-	-	-	-	-	-	-	-	-	(0.37)
Balance as at 31st March, 2022	-	89.44	925.75	139.55	566.57	8,470.77	7,859.24	3,625.38	9,355.95	72.70	31,105.35
Profit for the year	-	-	-	(3.51)	-	-	-	-	6,261.14	-	6,257.63
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(33.84)	(33.84)
Currency Fluctuation Reserve	-	-	-	-	236.66	-	-	-	-	-	236.66
Balance as at 31st March, 2023	-	89.44	925.75	136.04	803.23	8,470.77	7,859.24	3,625.38	15,617.09	38.86	37,565.80

As per our report of even date attached

For SUSHIL PODDAR & CO.

Chartered Accountants
Firm Reg. No. 014969N

S. K. Poddar

Partner
Mem. No. 94479

Gurugram, 30th May, 2023

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

Manoj Khattar

Whole-Time Director
DIN: 00694981

Vivek Kapur

Director
DIN: 09678378

For and on behalf of the Board

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH, 2023**

Rs. in Lakhs

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per Statement of Profit and Loss	6,850.59	(1,110.43)
<i>Adjustment for :</i>		
Share of (profit)/Loss of associates	(4,815.92)	3,167.02
Finance Cost	3,669.60	2,327.52
Depreciation and Amortisation Expenses	2,522.79	2,380.63
Loss/(Profit) on sale of Fixed Assets (net)	(2.34)	0.02
Rental Income	(246.96)	(291.09)
Interest Income	-	(8.33)
Government Grant Income	(4.44)	(4.44)
	7,973.31	6,460.90
<i>Movements in Working Capital:</i>		
Increase/ (decrease) in trade payables	(2,645.67)	1,511.80
Increase/ (decrease) in other financial liabilities	590.12	68.93
Increase/ (decrease) in other liabilities	(126.96)	5.57
Increase/ (decrease) in provisions	(135.70)	(33.75)
Decrease/ (increase) in inventories	(5,726.43)	(4,295.51)
Decrease/ (increase) trade receivables	8.44	1,041.33
Decrease/ (increase) in loan	(46.02)	(17.09)
Decrease/ (increase) in other current financial assets	1,289.45	(285.48)
Decrease/ (increase) in other current assets	64.99	519.05
Decrease/ (increase) in other non-current assets	(15.06)	(3.26)
Decrease/ (increase) in other non-current financial assets	(123.94)	28.51
Cash (used in) / Generated from Operations	1,106.53	5,000.99
Income tax paid (Net)	(175.82)	(332.61)
Currency Fluctuation Reserve Consolidation	236.66	(76.76)
Net cash (used in)/ Generated from Operating Activities - (A)	1,167.37	4,591.63
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,136.64)	(2,821.64)
Capital advance/Capital creditors (net)	34.57	(13.99)
Proceeds from sale of fixed assets	4.89	45.51
Purchase of non current investments(net)	-	-
Security deposit	-	-
Rental Income	246.96	291.09
Interest income	-	8.33
Fixed Deposit with bank	(322.00)	(2,067.68)
Net cash from/ (used in) investing activities - (B)	(2,172.22)	(4,558.38)

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH, 2023**

Rs. in Lakhs

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of long-term borrowings (net)	257.56	5,153.61
Proceeds from short-term borrowings (net)	2,099.51	(1,158.58)
Payment of lease Liability	(200.37)	(148.86)
Share Capital including securities premium	-	2.01
Interest and processing fees paid (net)	(3,603.47)	(2,275.85)
Net Cash from/ (used in) Financing Activities - (C)	<u>(1,446.77)</u>	<u>1,572.33</u>
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	<u>(2,451.62)</u>	<u>1,605.58</u>
Cash and cash equivalents as at beginning of the year	3,325.82	1,720.24
Cash and cash equivalents as at the end of the year	<u>874.20</u>	<u>3,325.82</u>
Components of cash and Cash Equivalents:		
Cash on hand	27.90	22.44
Balances with scheduled banks:		
In current accounts	794.67	3,225.28
In deposit accounts	51.63	78.10
Cash and Cash Equivalents in Cash Flow Statement	<u>874.20</u>	<u>3,325.82</u>

Note: The above Consolidated Statement of cash flows has been prepared under the 'Indirect method' as set out in Ind As-7, Statement of cash flows.

As per our report of even date attached
For SUSHIL PODDAR & CO.
Chartered Accountants
Firm Reg. No. 014969N

S.K. Poddar
Partner
Mem. No. 094479

Yogesh Kumar Gautam
Company Secretary

Raj Kumar Chawla
Chief Financial Officer

For and on behalf of the Board

Manoj Khattar
Whole-Time Director
DIN: 00694981

Vivek Kapur
Director
DIN: 09678378

Gurugram, 30th May, 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Bhartiya International Limited ('the Holding Company') is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Holding Company and its subsidiaries (hereinafter referred to as "the Group") is engaged in the business of manufacturing and trading of leather products & textile products. The Holding Company has its registered office at Chennai and its corporate office at Gurugram, Haryana.

2 BASIS OF PREPARATION

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

The consolidated financial statements have been prepared on the historical cost basis except the certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies.

Based on the nature of products/activities and the time between acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3 Principles of Consolidation

The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

Goodwill represents the difference between the Company's share in the net worth of subsidiaries and the cost of acquisition at each point of time of making the investment in the subsidiaries.

The audited / unaudited financial statements of foreign subsidiaries / associates have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or Ind AS.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

Investment in Associates has been accounted under the Equity Method as per Ind AS 28 – Investments in Associates.

The Group accounts for its share of post-acquisition changes in net assets of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and Equipment

Freehold land is carried at cost. All other items of property, plant and equipment and Capital work in progress (including Pre-operative expenses) are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II.

Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

4.2 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and applicable borrowing costs less depreciation and impairment if any.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of building generally in accordance with that provided in the Schedule II of the Companies Act.

4.3 Intangible Assets

Intangible Assets are stated at cost of acquisition inclusive of incidental expenses related to acquisition. all related revenue expenditure including borrowing cost during the period of development forms part of value of assets capitalized.

Computer software are amortized using the straight Line Method over the period of three years.

Amortization of Intangible Assets-Brand at the overseas subsidiary are as per the rate applicable based on the useful life of assets.

4.4 Lease

Effective from 1st April, 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

(iii) Short-Term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.5 Inventories

Raw materials and consumables have been valued at cost after providing for obsolescence. Cost comprise of cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis. Finished goods are value at cost or net realisable value whichever is lower. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

4.6 Cash & Cash Equivalents

The Group cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Group cash management system. In the balance sheet, bank overdrafts are presented under other current liabilities.

4.7 Employee Benefits

Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Defined Benefit Plan

Gratuity is a defined benefit obligation. The Group accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary.

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

4.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at Amortised Cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at Fair Value through Other Comprehensive Income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(c) Measured at Fair Value through Profit or Loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other Payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Derivative Instruments:

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. These contracts are initially recognised at fair value and subsequently, at the end of each reporting period, re-measured at their fair values on reporting date. The resulting gain or loss is recognised in profit or loss in the same line as the movement in the hedged exchange rate.

4.9 Provision And Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

4.10 Revenue Recognition

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue from Services

Revenue from services is recognised in the accounting period in which the services are rendered.

Other Operating Revenue - Export Incentives

Export Incentives under various schemes are accounted in the year of export.

Interest Income

Interest income is recognized using the effective interest rate (EIR) method

Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

4.11 Foreign Currency Translation

Transactions in foreign currencies are initially recorded in functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

4.12 Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in other comprehensive income.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The Group offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

4.13 Earning Per Share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

4.14 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

4.15 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

4.16 Share Based Payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

4.17 Critical Estimates and Judgements -

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas Involving Critical Estimates or Judgement are:

Estimation of Defined benefit obligation

Estimation of current tax expenses and Payable

Useful lives of depreciable assets

Provision and contingent liability

Carry value of investment in associates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**5. PROPERTY, PLANT AND EQUIPMENT****Rs. in Lakhs**

Particulars	LAND		OTHER THAN LAND					Total
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	
Gross Carrying Amount								
Balance as at 31st March, 2021	255.70	5,571.84	6,567.87	633.31	222.31	418.95	216.96	13,886.94
Addition		908.61	911.47	785.61	132.18	38.61	45.41	2,821.89
Disposal			15.57	0.01	84.34			99.92
Balance as at 31st March, 2022	255.70	6,480.45	7,463.77	1,418.91	270.15	457.56	262.37	16,608.91
Addition		1,794.17	987.77	55.86	49.24	42.07	51.57	2,980.68
Disposal			8.40	1.36	120.82		0.35	130.93
Balance as at 31st March, 2023	255.70	8,274.62	8,443.14	1,473.41	198.57	499.63	313.59	19,458.66
Accumulated Depreciation								
Balance as at 31st March, 2021	-	790.53	1,725.69	304.32	117.59	239.19	182.70	3,360.02
Addition		179.77	462.43	156.99	31.81	45.59	22.38	898.97
Disposal			7.89		39.07			46.96
Balance as at 31st March, 2022	-	970.30	2,180.23	461.31	110.33	284.78	205.08	4,212.03
Addition		225.63	539.70	151.48	23.77	42.36	32.80	1,015.74
Disposal			7.28	1.03	76.05		0.13	84.49
Balance as at 31st March, 2023	-	1,195.93	2,712.65	611.76	58.05	327.14	237.75	5,143.28
Net Carrying Amount								
Balance as at 31st March, 2022	255.70	5,510.15	5,283.54	957.60	159.82	172.78	57.29	12,396.88
Balance as at 31st March, 2023	255.70	7,078.69	5,730.49	861.65	140.52	172.49	75.84	14,315.38

a) Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance Sheet	Description of item of Property	Gross Carrying Value	Title deeds held in the Name of	Whether title deed holder is a promoter or director or Relative of Promoter Director	Property held since which date	Reason for not being held in the name of the company
PPE	Building	18.50	Pardeep Goyal	Relative of Director	12.08.2000	Due to issue in Registration

- b) All immovable property is held in the name of company except mentioned above.
c) The company has not revalued its Property, Plant and Equipment during the current reporting period.
d) The company does not hold any Benami Property and does not have any proceedings initiated or pending for holding benami property under the Benami Transactions (Prohibitions) Act, 1988.

5.1 Capital Work in Progress**Rs. in Lakhs**

31st March, 2022	811.52
31st March, 2023	-

5.1.1 Ageing of Capital Work-in-Progress ageing

	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
31st March, 2023					
Projects in Process	-	-	-	-	-
31st March, 2022					
Projects in Process	811.52	-	-	-	811.52

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Rs. in Lakhs

5.2 RIGHT OF USE ASSETS

Particulars	Land	Building	Total
Balance as at 31st March, 2021	532.34	684.14	1,216.48
Addition		235.41	235.41
Disposal/Adjustment	-	27.07	27.07
Balance as at 31st March, 2022	532.34	892.48	1,424.82
Addition		101.15	101.15
Disposal/Adjustment			-
Balance as at 31st March, 2023	<u>532.34</u>	<u>993.63</u>	<u>1,525.97</u>
Accumulated Depreciation			
Balance as at 31st March, 2021	25.28	170.60	195.88
Addition	12.64	123.65	136.29
Disposal/Adjustment		27.07	27.07
Balance as at 31st March, 2022	37.92	267.18	305.10
Addition	12.64	151.59	164.23
Disposal/Adjustment			-
Balance as at 31st March, 2023	<u>50.56</u>	<u>418.77</u>	<u>469.33</u>
Net carrying amount			
Balance as at 31st March, 2022	494.42	625.30	1,119.72
Balance as at 31st March, 2023	<u>481.78</u>	<u>574.86</u>	<u>1,056.64</u>

6. INVESTMENT PROPERTIES

Particulars	Land & Building
Gross Carrying Amount	
Balance as at 31st March, 2021	594.85
Addition	
Disposal	
Balance as at 31st March, 2022	<u>594.85</u>
Addition	
Disposal	
Balance as at 31st March, 2023	<u>594.85</u>
Accumulated Depreciation	
Balance as at 31st March, 2021	54.53
Addition	10.91
Disposal	
Balance as at 31st March, 2022	<u>65.44</u>
Addition	10.91
Disposal	
Balance as at 31st March, 2023	<u>76.35</u>
Net Carrying Amount	
Balance as at 31st March, 2022	529.41
Balance as at 31st March, 2023	<u>518.50</u>
Fair Value	
As at 31st March, 2022	3,434.68
As at 31st March, 2023	3434.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

6.1 Particulars	Rs. in Lakhs	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Rental income derived from investment properties	206.48	253.35
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Income arising from investment properties before depreciation	<u>206.48</u>	<u>253.35</u>
Depreciation	10.91	10.91
Income from investment properties (Net)	<u>195.57</u>	<u>242.44</u>

6.2 Maturity Analysis of Lease Payments to be received in aggregate & each of following year:		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Not later than one year	265.07	258.24
Later than one year and not later than five years	1,055.82	1,061.51
Later than five years	180.72	441.09

6.3 Estimation of Fair Value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in village/city area.

This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

7. INTANGIBLE ASSETS

Particulars	Rs. in Lakhs			
	Goodwill	Computer Software	Brand/ Patent	Total
Gross Carrying Amount				
Balance as at 31st March, 2021	7.99	332.86	6,611.33	6,952.18
Addition		32.52		32.52
Disposal				-
Balance as at 31st March, 2022	<u>7.99</u>	<u>365.38</u>	<u>6,611.33</u>	<u>6,984.70</u>
Addition	-	11.35	-	11.35
Disposal				-
Balance as at 31st March, 2023	<u>7.99</u>	<u>376.73</u>	<u>6,611.33</u>	<u>6,996.05</u>
Accumulated Depreciation				
Balance as at 31st March, 2021	7.99	287.00	46.12	341.11
Addition		21.42	1,313.04	1,334.46
Disposal				-
Balance as at 31st March, 2022	<u>7.99</u>	<u>308.42</u>	<u>1,359.16</u>	<u>1,675.57</u>
Addition		18.86	1,313.04	1,331.90
Disposal				-
Balance as at 31st March, 2023	<u>7.99</u>	<u>327.28</u>	<u>2,672.20</u>	<u>3,007.47</u>
Net Carrying Amount				
Balance as at 31st March, 2022	-	56.96	5,252.17	5,309.13
Balance as at 31st March, 2023	-	49.45	3,939.13	3,988.58

a) There are no intangible assets under development in the company during the current reporting period.

b) The Company has not revalued its intangible Assets during the current reporting period .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Rs. in Lakhs

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Particulars	No. of		As at	
	Shares/Units	31st March, 2023	Shares/Units	31st March, 2022
Investments in Associates (Unquoted at Cost)				
(a) Investment in Associate Company #				
Equity Shares	3,43,93,260	5,403.15	3,43,93,260	587.23
		<u>5,403.15</u>		<u>587.23</u>
#Particulars of Investment in Associate Company				
A) Bhartiya Urban Pvt. Ltd.				
% of ownership interest		36.77%		36.77%
Cost of Acquisition		3,999.60		3,999.60
Share of Reserves & Surplus		1,404.23		(3,411.69)
Carrying Value		<u>5,403.83</u>		<u>587.91</u>
B) TADA Mega Leather Cluster Pvt. Ltd.				
% of ownership interest		50.00%		50.00%
Cost of Acquisition		0.50		0.50
Share of Post Acquisition Reserves & Surplus		(1.18)		(1.18)
Carrying Value		<u>(0.68)</u>		<u>(0.68)</u>
Total (A+B)		<u>5,403.15</u>		<u>587.23</u>

9. NON-CURRENT INVESTMENTS

Particulars	As on 31st March, 2023		As on 31st March, 2022	
	Units/ Share (No.)	Amount (Rs.)	Units/ Share (No.)	Amount (Rs.)
A) Investments in Mutual Funds (Unquoted)				
At Fair Value through Profit and Loss				
i) Reliance ETF Liquid BeES	1.222	0.01	1.124	0.01
		<u>0.01</u>		<u>0.01</u>
B) Investments in Equity Shares (Unquoted)				
At Fair Value through Profit and Loss				
i) Pallavaram Tanners Industrial Effluent Treatment co. Ltd.	31,525	35.00	31,525	35.00
Total (A+B)		<u>35.01</u>		<u>35.01</u>
Aggregate amount of unquoted Investments		35.01		35.01
Aggregate amount of impairment in value of unquoted Investments		-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

10. OTHER NON FINANCIAL CURRENT ASSETS		Rs. in Lakhs	
Particulars	As at 31st March, 2023	As at 31st March, 2022	
(Unsecured & Considered Good)			
(a) Security and Other Deposits	72.51	166.74	
(b) Other Advance	249.05	30.88	
(c) Fixed deposit maturity more than 12 months (Lien with bank against various facilities)	2,205.80	-	
TOTAL	<u>2,527.36</u>	<u>197.62</u>	
11. OTHER NON CURRENT ASSETS			
(a) Capital Advances	31.57	47.48	
(b) Security Deposit with Govt.Authority	26.10	8.63	
(c) Prepaid Expenses	7.20	4.85	
(d) Prepayment Lease Rent	9.82	14.58	
TOTAL	<u>74.69</u>	<u>75.54</u>	
12. INVENTORIES			
(a) Raw Materials	36,404.24	28,341.09	
(b) Raw Materials -In transit	126.52	188.33	
(c) Stock-in-Progress	735.61	1,099.39	
(d) Finished Goods	9,036.33	9,889.57	
(e) Land and Land development	1,256.12	1,256.12	
(f) Consumable Store	4,560.07	5,617.96	
TOTAL	<u>52,118.89</u>	<u>46,392.46</u>	

13. CURRENT INVESTMENT

Particulars	As at 31st March, 2023		As on 31st March, 2022	
	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)
A) Investment In Equity Instrument (Unquoted)				
At Fair value through Profit and Loss				
i) Sai Royalaseema Paper Mills Ltd.	31,792	-	31,792	-
	-	-	-	-
Aggregate Amount of Unquoted Investments	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**14. TRADE RECEIVABLES****Rs. in Lakhs**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, considered good)		
(a) Trade Receivable	12,969.92	12,978.36
TOTAL	<u>12,969.92</u>	<u>12,978.36</u>

Trade receivable ageing schedule for the year ended as on 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed -Trade Receivable Considered Good	10,462.27	1340.58	339.02	228.90	599.15	12,969.92
Total	10,462.27	1340.58	339.02	228.90	599.15	12,969.92

Trade receivable ageing schedule for the year ended as on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed -Trade Receivable Considered Good	11,046.32	883.24	468.32	580.48	-	12,978.36
Total	11,046.32	883.24	468.32	580.48	-	12,978.36

15. CASH AND CASH EQUIVALENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Balances with Banks		
In current accounts	794.67	3,225.28
In deposit accounts	51.63	78.10
b) Cash on Hand	27.90	22.44
TOTAL	<u>874.20</u>	<u>3,325.82</u>

16. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

a) Fixed Deposit with the bank	2,380.11	4,262.90
b) Unclaimed dividend accounts	4.91	5.92
TOTAL	<u>2,385.02</u>	<u>4,268.82</u>

16.1 Fixed deposits of Rs. 2380.10 Lacs (previous year Rs 4262.89 Lacs) are pledged with the banks for various limits and facilities granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**17. CURRENT LOAN**

Rs. in Lakhs

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured & Considered Good)		
(a) Loan to Employee	158.83	112.81
TOTAL	<u>158.83</u>	<u>112.81</u>

18. OTHER CURRENT FINANCIAL ASSETS

a) Export incentive Receivable	694.26	1,473.54
b) Insurance Claim Receivable	-	132.57
c) Vat /GST Receivable	1,282.67	1,556.94
d) Other Advance	4.58	2.87
e) Derivatives-Foreign Exchange forward contract	-	96.35
f) Security and Other Deposits	111.96	120.65
TOTAL	<u>2,093.47</u>	<u>3,382.92</u>

18.1 The company's claim of drawback amounting to Rs. 33.63 lakhs has been disputed by the commissioner of customs (exports) with the joint secretary(RA), ministry of finance, department of revenue, Govt. of India New Delhi, against the favorable order in appeal by the commissioner of custom (Appeals). The management is confident for the recovery of said amount and hence has not made any provision for bad & doubtful debts against this.

19. OTHER CURRENT ASSETS

a) Advances with Suppliers	1,969.00	2,100.51
b) Prepaid Expenses	454.15	401.18
c) Mat Credit Entitlement	14.35	17.02
d) Other Advances	44.70	27.49
e) Prepayment Lease Rent	-	0.99
TOTAL	<u>2,482.20</u>	<u>2,547.19</u>

20. SHARE CAPITAL**Authorised Share Capital**

a) 20,000,000 (31st March, 2022: 20,000,000) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
b) 500,000 (31st March, 2022: 500,000) Preference Shares of Rs. 100/- each	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>

Issued, Subscribed & Paid up :

a) 12,207,129 (31st March, 2022: 12,207,129) Equity Shares of Rs.10/- each fully paid Up.	1,220.71	1,220.71
TOTAL	<u>1,220.71</u>	<u>1,220.71</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**Rs. in Lakhs**

20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	1,22,07,129	1,220.71	1,22,02,369	1,220.24
Shares Issued during the year		-	4,760	0.47
Shares outstanding at the end of the year	1,22,07,129	1,220.71	1,22,07,129	1,220.71

20.2 The details of Shareholders holding more than 5% shares

Name of the Share holders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehdeep Aggarwal	11,43,362	9.37	11,43,362	9.37
(b) Bhartiya Infotech Pvt. Ltd.	10,10,000	8.27	10,10,000	8.27
(c) Bhartiya Global Ventures Pvt. Ltd.	30,47,100	24.96	30,47,100	24.96
(d) Bhartiya Advisory Services Pvt. Ltd.	6,81,913	5.59	6,81,913	5.59
(e) TIMF Holdings	7,06,474	5.79	7,06,474	5.79
(f) Chartered Finance & Leasing Ltd.	7,90,500	6.48	-	-

20.3 Shares Reserved for issue under options

Particulars	As at	As at
	31st March, 2023	31st March, 2022
	No. of Shares	No. of Shares
a) Under 2013 employee stock option plan : Equity share of Rs.10/- each, at an exercise price of Rs.50/- per share	20,751	20,751

20.4 Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date, wherever applicable is given below:

Rs. in Lakhs

Particulars	31st	31st	31st	31st	31st
	March	March	March	March	March
	2023	2022	2021	2020	2019
Shares issued during the period of five Years immediately preceding through reporting date on exercise of option granted under the Employee Stock Option Plan (ESOP) wherein part consideration was received in form of employee services.	-	4,760	500	7,695	12,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

			Rs. in Lakhs
Share held by promoter at 31st March, 2023			
Promoter Name	No. of Shares	% of Total Shares	% Change during the year
Snehdeep Aggarwal	11,43,362	9.37%	-
Ramesh Bhatia	3,40,250	2.79%	-
Promoters Group			
Arjun Aggarwal	4,96,150	4.06%	-
Kanwal Aggarwal	1,90,374	1.56%	-
Snehdeep Aggarwal HUF	50,000	0.41%	-
Parushni Aggarwal	7,500	0.06%	-
Pawan Aggarwal	5,000	0.04%	-
Bhartiya Global Venture Private Limited	30,47,100	24.96%	-
Bhartiya Infotech Private Limited	10,10,000	8.27%	-
Bhartiya Advisory Services Private Limited	6,81,913	5.59%	-
R.L Bhatia Associates Private Limited	30,000	0.25%	-

20.5 The Company has only one class of equity shares having a par values of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion of the number of equity share held by the shareholders.

20.6 During the year, the Company has allotted NIL (31st March, 2022: 4760) equity share of Rs. 10/- each fully paid to its employees under employees stock option plan (ESOP 2013)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Particulars	Reserves and Surplus										Total
	Share application money pending for allotment	Employee Stock Options outstanding	Preferential share Warrant Forfeited	Non-controlling Interest	Foreign Currency Translation Reserve (FCTR)	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (defined benefit plan)	
Balance as at 31st March, 2021	0.37	109.97	925.75	142.96	643.32	8,470.77	7,836.81	3,625.38	11,008.97	47.44	32,811.74
Profit for the year	-	-	-	(3.41)	-	-	-	-	(1,653.02)	-	(1,656.43)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	25.26	25.26
Transfer to Security premium on issue of share	-	(20.53)	-	-	-	-	22.43	-	-	-	(1.90)
Currency Fluctuation Reserve	-	-	-	-	(76.75)	-	-	-	-	-	(76.75)
Money Received during the year	(0.37)	-	-	-	-	-	-	-	-	-	(0.37)
Balance as at 31st March, 2022	-	89.44	925.75	139.55	566.57	8,470.77	7,859.24	3,625.38	9,355.95	72.70	31,105.35
Profit for the year	-	-	-	(3.51)	-	-	-	-	6,261.14	-	6,257.63
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(33.84)	(33.84)
Currency Fluctuation Reserve	-	-	-	-	236.66	-	-	-	-	-	236.66
Balance as at 31st March, 2023	-	89.44	925.75	136.04	803.23	8,470.77	7,859.24	3,625.38	15,617.09	38.86	37,565.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**22. NON-CURRENT BORROWINGS****Rs. in Lakhs**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
- Term Loans from Banks	16,572.39	16,444.33
- Vehicle Loans from Banks	39.84	66.76
TOTAL	16,612.23	16,511.09

Above total is net of instalments falling due within a year in respect of all the above Loans aggregating of Rs. 3045.88 lakhs (31st March, 2022 Rs. 2889.40 Lakhs) that have been grouped under "Current Borrowing". (Refer note no. 26).

Nature of security and terms of repayment for long term secured borrowings:

	Nature of Security	Terms of Repayment
22.1	Term Loans from HDFC Bank, balance outstanding amounting to Rs 750.00 Lacs (March 31, 2022 Rs. NIL lacs) is secured by second charge on all existing securities given to HDFC Bank.	The Loan is repayable in 48 Monthly Installment starting from Aug 2024. Last installment due in July 2028. Rate of interest 9.25 % p.a. as at year end .
22.2	Term Loans from HDFC Bank, balance outstanding amounting to Rs NIL (March 31, 2022 is Rs. 110.60 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The loan is repayable in 20 quarterly Installment starting from Nov 2017. Last installment due in Nov 2022. Rate of Interest 8.15 % p.a. as at year end (Previous Year 8.15 %)
22.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs. 1381.22 lacs (March 31, 2022 is Rs.1552.70 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	Repayable in 40 Quarterly Installment starting from Oct, 2018. Last installment due in Aug 2028. Rate of Interest 9 % p.a. as at year end (Previous Year 8.15 %).
22.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs NIL (March 31, 2022 is Rs. 40.68 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The loan is repayable in 19 quarterly Installment starting from Feb 2018. Last installment due in Nov 2022. Rate of Interest 8.20 % p.a. as at year end (Previous Year 8.35 %).
22.5	Term Loans from INDUSIND Bank, balance outstanding amounting to Rs 3650.00 lacs (March 31, 2022 is Rs. 4362.55 lacs) is secured by Equitable Mortgage of 9 acres 81 cents land situated in Tamil Nadu. Personal Guarantee of one Director.	The Loan is repayable in 23 Quarterly Installment starting from Sep 2020. Last installment due in Mar 2026. Rate of interest 11.00 % p.a. as at year end .
22.6	Term Loans from SBI Bank, balance outstanding amounting to Rs 396.67 lacs (March 31, 2022 is Rs. 508.59 lacs) . secured by second charge on all existing securities given to SBI.	The Loan is repayable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 7.95 % p.a. as at year end .
22.7	Term Loans from SBM Bank, balance outstanding amounting to Rs 696.22 lacs (March 31, 2022 is Rs. 892.76 lacs) is secured by second charge on all existing securities given to SBM Bank.	The Loan is repayable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 9.25 % p.a. as at year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**Nature of security and terms of repayment for long term secured borrowings:**

	Nature of Security	Terms of Repayment
22.8	Term Loans from HDFC Bank, balance outstanding amounting to Rs 1218.75 lacs (March 31, 2022 is Rs. 1421.52 lacs). Secured by second charge on all existing securities given to HDFC Bank.	The Loan is repayable in 48 Monthly Installment starting from Jul 2022. Last installment due in Jun 2026. Rate of interest 8.15 % p.a. as at year end.
22.9	Term Loans from INDUSIND Bank, balance outstanding amounting to Rs 1372.08 lacs (March 31, 2022 is Rs. 1780.00 lacs). secured by second charge on all existing securities given to Indusind Bank.	The Loan is repayable in 48 Monthly Installment starting from May 2022. Last installment due in Apr 2026. Rate of interest 7.75 % p.a. as at year end .
22.10	Term Loans from SBI Bank, balance outstanding amounting to Rs 1300.00 lacs (March 31, 2022 is Rs. 1298.94 lacs) . Secured by second charge on all existing securities given to SBI.	The Loan is repayable in 48 Monthly Installment starting from Feb 2024. Last installment due in Jan 2028. Rate of interest 7.95 % p.a. as at year end .
22.11	Term Loans from Union Bank, balance outstanding amounting to Rs 454.28 lacs (March 31, 2022 is Rs. 584.64 lacs) . Secured by second charge on all existing securities given to Union Bank of India.	The Loan is repayable in 48 Monthly Installment starting from March 2022. Last installment due in Feb 2026. Rate of interest 7.80 % p.a. as at year end .
22.12	Term Loans from Union Bank, balance outstanding amounting to Rs 3339.00 lacs (March 31, 2022 is Rs. 1870.03 lacs) . Secured by second charge on all existing securities given to Union Bank of India.	The Loan is repayable in 48 Monthly Installment starting from Feb 2024. Last installment due in Jan 2028. Rate of interest 7.80 % p.a. as at year end .
22.13	Term Loans from HDFC Bank, balance outstanding amounting to Rs 285.93 lacs (March 31, 2022 is Rs. NIL lacs). is secured by exclusive Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The Loan is repayable in 20 Quarterly Installment starting from June 2024. Last installment due in March 2029. Rate of interest 9.30 % p.a. as at year end.
22.14	Term Loans from HDFC Bank, balance outstanding amounting to Rs 183.27 lacs (March 31, 2022 is Rs. NIL lacs). is secured by exclusive Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director	The Loan is repayable in 20 Quarterly Installment starting from June 2024. Last installment due in March 2029. Rate of interest 9.90 % p.a. as at year end.
22.15	Term Loans from HDFC Bank, balance outstanding amounting to Rs 1180.80 lacs (March 31, 2022 is Rs. 1179.56 lacs). is secured by exclusive Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director	The Loan is repayable in 20 Quarterly Installment starting from June 2024. Last installment due in March 2029. Rate of interest 9.90 % p.a. as at year end.
22.16	Term Loans from Indusind Bank, balance outstanding amounting to Rs 42.73 lacs (March 31, 2022 Rs. 97.58 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 61 Monthly Installment starting from March 2018. Last installment due in March 2023. Rate of interest 10.40 % p.a. as at year end (previous year - 10.40%)
22.17	Term Loans from Indusind Bank, balance outstanding amounting to Rs 3173.95 lacs (March 31, 2022 Rs. 3275.21 lacs) is secured by Exclusive charge on undergone project and Cash Flows, receivables, book debts and revenue of the company.	The Loan is repayable in 16 Quarterly Installment starting from March 2022. Last installment due in December 2025. Rate of interest 4.19 % p.a. as at year end
22.18	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Particulars	Rs. in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
23. OTHER NON-CURRENT FINANCIAL LIABILITIES		
(a) Security Deposit with Related Parties	168.59	156.97
TOTAL	<u>168.59</u>	<u>156.97</u>
24. NON-CURRENT PROVISION		
(a) Provision for Employees Benefit	67.98	45.16
TOTAL	<u>67.98</u>	<u>45.16</u>
25. OTHER NON-CURRENT LIABILITIES		
(a) Government Grant	48.13	52.57
(b) Advance Lease Rent	52.43	69.69
TOTAL	<u>100.56</u>	<u>122.26</u>
26. CURRENT BORROWING		
Secured		
- Working Capital Loans From Banks	29,758.06	27,658.55
- Current Maturity of Long term borrowing	3,045.88	2,889.40
TOTAL	<u>32,803.88</u>	<u>30,547.95</u>
26.1 Working Capital facilities are secured against hypothecation of stocks of raw - materials, stock in process, finished goods, Other Current assets , specified immovable property, movable fixed assets, lien on fixed deposits, exports bills and personal guarantee of Director.		
26.2 Working Capital facilities in Overseas Subsidiaries are Secured against Corporate Guarantee/SBLC of Holding company.		
27. TRADE PAYABLE		
(a) Acceptances	2,024.73	1,384.99
(b) Payable to Micro and Small Enterprises	868.24	488.99
(c) Payable to others than Micro and Small Enterprises	6,213.19	9,877.85
TOTAL	<u>9,106.16</u>	<u>11,751.83</u>

Trade Payable ageing Schedule for the year ended as on 31st March, 2023

Particulars	Outstanding for following period from due date of payment				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Dues to MSME	868.24			-	868.24
Others	7,423.97			813.95	8,237.92
Total Trade Payable	8,292.21	-	-	813.95	9,106.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Rs. in Lakhs

Trade Payable ageing Schedule for the year ended as on 31st March, 2022

Particulars	Outstanding for following period from due date of payment				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Dues to MSME	488.99				488.99
Others	10,390.91	77.86	-	794.07	11,262.84
Total Trade Payable	10,887.89	77.86	-	794.07	11,751.83

28. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Interest Accrued	139.42	53.58
(b) Unpaid dividend	4.91	5.92
(c) Due to employee	399.94	355.09
(d) Expenses payable	286.54	262.92
(e) Statutory Dues Payable	255.41	202.91
(f) Capital Payables	32.48	13.82
(g) Other Payable	4.33	34.47
(h) Derivatives-Foreign Exchange Forward Contract	402.84	-
TOTAL	<u>1,525.87</u>	<u>928.71</u>

29. PROVISIONS

(a) Provision for Employees Benefits	172.42	285.72
TOTAL	<u>172.42</u>	<u>285.72</u>

30. OTHER CURRENT LIABILITIES

(a) Advance from Customer	12.26	130.97
(a) Advance Lease Rent	9.01	-
TOTAL	<u>21.27</u>	<u>130.97</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Rs. in Lakhs

31. REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Sales of Products		
(a) Sales Manufactured Goods	64,420.13	56,879.81
(b) Traded Goods	14,064.12	9,720.17
Sales of Services	1,606.26	408.17
Other Operating Revenues		
(a) Export Incentives	1,971.71	1,566.26
(b) Foreign Exchange Gain/(Loss)	(2,202.42)	776.54
TOTAL	<u>79,859.80</u>	<u>69,350.95</u>

31.1 Reconciliation of revenue recognised in statement of profit and loss with contracted price

Revenue as per contracted price	80,365.51	67,061.93
Less: Discount, rebates etc.	275.00	53.78
Total Revenue from contract with customers	<u>80,090.51</u>	<u>67,008.15</u>

32. OTHER INCOME

- Rental Income	246.96	291.09
- Other Income	88.78	2,926.31
TOTAL	<u>335.74</u>	<u>3,217.40</u>

33. COST OF MATERIALS CONSUMED

Opening Stock	34,147.38	31,605.67
Add : Purchases	<u>41,865.59</u>	<u>34,543.70</u>
	76,012.97	66,149.37
Less : Closing Stock	41,090.83	34,147.38
MATERIALS CONSUMED	<u>34,922.14</u>	<u>32,001.99</u>

34. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(a) Opening Inventories		
- Finished Goods	9,889.57	8,583.70
- Work in Progress	1,099.39	651.46
(b) Closing Inventories		
- Finished Goods	9,036.33	9,889.57
- Work in Progress	735.61	1,099.39
Decrease/(Increase)	<u>1,217.02</u>	<u>(1,753.80)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**Rs. in Lakhs****35. EMPLOYEE BENEFIT EXPENSES**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Salary & Allowances	5,192.36	4,541.71
(b) Contribution to Provident & Other Fund	422.50	313.66
(c) Staff Welfare Expenses	303.18	309.30
TOTAL	<u>5,918.04</u>	<u>5,164.67</u>

36. FINANCE COST

(a) Interest Expense- Net	3,148.58	2,010.33
(b) Borrowing Cost	281.77	214.11
(c) Interest on Lease Liability	66.13	30.89
(d) Exchange difference regarded as an adjustment to borrowing cost	173.12	72.20
TOTAL	<u>3,669.60</u>	<u>2,327.53</u>

37. DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	1,015.74	898.97
(b) Amortisation on Intangible Assets	1,331.90	1,334.46
(c) Depreciation on Investment on Properties	10.91	10.91
(d) Amortisation on Right of use Assets	164.23	136.29
TOTAL	<u>2,522.78</u>	<u>2,380.63</u>

38. OTHER EXPENSES**(I) Manufacturing Expenses**

(a) Fabrication Charges	12,492.80	9,745.66
(b) Other Manufacturing Expenses	546.81	432.93
(c) Freight & Cartage	57.04	29.91

(II) Selling & Administrative Expenses

(a) Legal And Professional Charges	1,649.80	2,117.26
(b) Power & Fuel	450.49	352.86
(c) Bank Charges	816.71	575.88
(d) Repair & Maintenance		
- Building	52.56	44.82
- Plant & Machinery	228.01	199.68
- Others	623.04	619.83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Particulars	Rs. in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
(e) Communication	81.17	77.07
(f) Rates Taxes & Duties	65.39	55.56
(g) Insurance	179.44	193.35
(h) Rent	226.05	246.78
(i) Travelling & Conveyance	1,072.46	640.44
(j) Freight on Exports	1,405.70	1,059.73
(k) Commission, Brokerage & Discount	57.84	288.16
(l) Loss on Sale /Discard of Fixed Assets	(2.34)	0.02
(m) Misc. Expenses	705.08	690.69
(n) Expenditure towards CSR activities	55.11	103.47
(o) Directors Meeting Fees	8.58	4.81
(p) Packing Expenses	206.27	71.42
(q) Bad Debts	0.63	776.85
(r) Auditors Remuneration	52.69	39.19
TOTAL	<u>21,031.33</u>	<u>18,366.37</u>

39. TAX EXPENSES

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
I) Current Tax		
(a) Current Tax on Taxable income for the year	624.92	369.49
	<u>624.92</u>	<u>369.49</u>
II) Deferred Tax		
(a) Related To origination & reversal of temporary differences	(31.96)	176.51
Income tax expenses reported in statement of profit and loss	<u>592.96</u>	<u>546.00</u>
Effective Income Tax Rate	<u>8.66%</u>	<u>-49.17%</u>

A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Accounting profit before tax	6,850.59	(1,110.43)
Statutory income tax rate	25.168%	25.168%
Computed tax expenses	1,724.16	(279.47)
Tax in respect of earlier years	-	11.93
Non taxable/ differential tax rate of subsidiaries	63.84	(40.43)
Impact of share of profit/(loss) of associates	(1,212.07)	797.08
Deduction under section 24 of income tax act	(15.51)	(19.05)
Non-Deductible expenses for tax purpose	32.54	75.94
Income tax charge to Statement of Profit and Loss Account	<u>592.96</u>	<u>546.00</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**40. CONTINGENT LIABILITIES****Rs. in Lakhs**

Particulars	As at 31st March, 2023	As at 31st March, 2022
i) Letter of Credit / Import Bills outstanding -	3,354.06	3,274.58
ii) Bill Discounting	1,466.06	-
iii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries - Ultima S A	6,078.14	8,689.13
iv) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia Srl. & World Fashion Trade Ltd.	134.33	418.90
v) Karnataka Vat Demand Under dispute	56.60	56.60
vi) Andhra Pradesh GST Demand Under dispute	81.07	71.78
vii) Income tax Demand under dispute	3,485.04	50.75
viii) Tamil Nadu Vat Under dispute	8.14	-

41. CAPITAL AND OTHER COMMITMENTS

i) Estimated value of contract remaining to be executed on capital Account and not provided for	6,402.26	14,135.89
ii) Estimated Value of contract remaining to be executed on capital account	7.78	94.24

42. EMPLOYEE BENEFITS PLANS

The details of various employee benefits provided to employees are as under:

a) Defined Contribution Plans**Rs. in Lakhs**

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	248.55	198.17
b) Employees State Insurance Corporation	12.13	3.19

b) Defined Benefit Plans

The Defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal Assumptions	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Expected return on plan assets	7.20%	7.20%
Discount rate	7.20%	7.20%
Salary increase rate	5.00%	5.00%
Employee turnover	5.00%	5.00%
In service mortality	IALM (2012-14)	IALM (2012-14)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**ii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Rs. in Lakhs	
	Gratuity	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Current Service Cost	63.58	67.32
Net Interest Expenses	(5.49)	(7.61)
Past Service Cost	-	-
Components of defined benefit costs recognised in profit or Loss	58.09	59.71
Re-measurement on the Net Defined Benefit liability:		
Actuarial (gains)/ losses on obligation for the year	29.70	(28.17)
Return On Plan Assets	16.76	(6.75)
Net(Income)/Expenses for the year ended recognized in OCI	46.46	(34.92)

iii) The amount included in the Balance Sheet arising from the entity's obligation in respect of its Defined Benefit Obligation

Particulars	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
	Present Value of Defined Benefit Obligation	522.04
Fair Vale of Plan Asset	(466.08)	(453.47)
Net Liability arising from Defined Benefit Obligation	55.96	33.65

iv) Movements in the present value of the defined benefit obligation are as follows:

Particulars	Rs. in Lakhs	
	Gratuity	
	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Opening Defined Obligation	487.12	487.09
Interest Cost	(5.49)	(7.61)
Current Service Cost	63.58	67.32
Past Service Cost	-	-
Benefits Paid Directly by the Employer	(52.87)	(31.51)
Actuarial (gains)/ Losses	29.70	(28.17)
Closing Defined Benefit Obligation	522.04	487.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).v) **Movements in the fair value of the plan assets are as follows:** **Rs. in Lakhs**

Particulars	Gratuity	
	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Opening fair Value of Plan Assets *	453.47	423.41
Interest Income	29.36	28.55
Contribution by the Employer	-	-
Return on Plan Assets Excluding Interest Income	(16.76)	1.51
Closing fair Value of Plan Assets	466.08	453.47

*** Fund Managed by the approved Insurance Company Kotak Life Insurance**

Particulars	Gratuity	
	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Investment With Insurer	100.00%	100.00%

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2023 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	516.21	550.52
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	550.81	515.79

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2022 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	449.25	480.74
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	481.01	448.87

The sensitivity analysis above has been determined on the basis of actuarial certificate.

43. EARNING PER SHARE

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Profit/(loss) for the year	6,257.63	(1,656.43)
No. of share at the beginning of the year (A)	1,22,07,129	1,22,02,369
Equity allotted during the year	-	4,760
Weighted average shares (B)	-	4,708
Weighted average shares outstanding (nos.) (A+B)	1,22,07,129	1,22,07,077
Effect of diluted number of share		
Add:- Employee stock option plan	18,594	18,594
Weighted average number of equity share for diluted earning per share	1,22,25,723	1,22,25,671
Basic earning per share	50.98	(13.36)
Diluted earning per share	50.91	(13.34)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

44. Export Promotion Capital Goods (EPCG)

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

45. Employee Stock Option Plan

The Company instituted an Employees Stock Option Plan ('ESOP 2013') pursuant to the Nomination and Remuneration Committee (Earlier Compensation Committee) and Shareholders' resolution dated September 23, 2013. As per ESOP 2013, the Company had granted the below stock options:

On 28th January, 2014 – 50,000 stock options.

On 16th September, 2015 – 1,55,800 stock options

On 31st December, 2015 – 8,850 stock options

On 3rd February, 2018 – 30,000 stock options

On 5th April, 2018 – 30,000 stock options

These options comprises equal number of equity shares to be allotted in one or more tranches to the eligible employees of the Company and its subsidiaries.

The details of the ESOPs granted so far are provided below:

Rs. in Lakhs

Grant Date	April 5, 2018			
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	April 05, 2019	April 05, 2020	April 05, 2021	April 05, 2022
%age of vesting	16.67	16.67	16.66	50.00
Exercise Price (in Rs.)	330.00	330.00	330.00	330.00

Grant Date	February 03, 2018			
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	February 03, 2019	February 03, 2020	February 03, 2021	February 03, 2022
%age of vesting	10.00	20.00	30.00	40.00
Exercise Price (in Rs.)	450.00	450.00	450.00	450.00

Grant Date	December 31, 2015		
Vesting tranche	Vesting I	Vesting II	Vesting III
Vesting date	December 31, 2016	December 31, 2017	December 31, 2018
%age of vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00

Grant Date	September 16, 2015		
Vesting tranche	Vesting I	Vesting II	Vesting III
Vesting date	September 16, 2016	September 16, 2017	September 16, 2018
%age of vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

	Rs. in Lakhs	
Grant Date	January 28, 2014	
Vesting tranche	Vesting I	Vesting II
Vesting date	1st February, 2015	1st March, 2015
%age of vesting	50.00	50.00
Exercise Price (in Rs.)	156.00	156.00

The Company uses the fair value for determination of the employee stock compensation expense.

The activity in the Employees Stock Option Plan during the year ended 31st March, 2023 is as under:

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Number of options outstanding at the beginning of the period	20,751	25,511
Number of options granted during the year	-	-
Number of options forfeited / lapsed during the year	-	-
Number of options vested during the year	-	-
Number of options exercised during the year	-	4,760
Number of shares arising as a result of exercise of options	-	4,760
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-	Rs. 2,38,000
Loan repaid by the Trust during the year from exercise price received	NA	NA
Number of options outstanding at the end of the year	20,751	20,751
Number of options exercisable at the end of the year	20,751	20,751

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Date of Grant	September 16, 2015	December 31, 2015	February 3, 2018	April 5, 2018
Weighted average share price	Rs. 468.70	Rs 521.15	Rs. 463.55	Rs. 216.15
Exercise price	Rs. 50.00	Rs. 50.00	Rs. 450.00	Rs. 330.00
Expected volatility	29.24%	33.10%	25.71%	36.78%
Option life (comprising of weighted average of vesting period and exercise period)	7 years	7 years	8 years	5.50 years
Expected dividends	0.21%	0.19%	0.26%	0.29%
Risk free rate of return	8.17%	7.96%	7.82%	7.22%

46 Fair Value Measurement

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.

The following methods and assumptions were used to Estimate the Fair Values:

Trade receivables, cash and cash equivalents, other bank balances, short term 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

The following is the basis for categorising the financial instruments measured at fair value into Level 1 to Level 3 :

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using 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: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	Rs. in Lakhs			
	As at 31st March, 2023			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	12,969.92	-	-	12,969.92
Cash & cash equivalents	874.20	-	-	874.20
Other bank balance	2,385.02	-	-	2,385.02
Loans	158.83	-	-	158.83
Other financial assets	4,620.83	-	-	4,620.83
At FVTPL				
Investments	35.01	0.01	-	35.00
Other financial assets	-	-	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings	49,416.11	-	-	49,416.11
Lease Liability	694.91	-	-	694.91
Trade payables	9,106.16	-	-	9,106.16
Other financial liabilities	1,291.62	-	-	1,291.62
At FVTPL				
Other financial liabilities	402.84	-	402.84	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Particulars	Rs. in Lakhs			
	As at 31st March, 2022			
	Carrying Amount	Level of input used in		
	Level 1	Level 2	Level 3	
Financial Assets				
At Amortised Cost				
Trade Receivable	12,978.36	-	-	12,978.36
Cash & cash equivalents	3,325.82	-	-	3,325.82
Other bank balance	4,268.82	-	-	4,268.82
Loans	112.81	-	-	112.81
Other financial assets	3,484.19	-	-	3,484.19
At FVTPL				
Investments	35.01	0.01	-	35.00
Other financial assets	96.35	-	96.35	-
Financial Liabilities				
At Amortised Cost				
Borrowings	47,059.04	-	-	47,059.04
Trade payables	11,751.83	-	-	11,751.83
Lease Liability	728.03	-	-	728.03
Other financial liabilities	1,085.68	-	-	1,085.68
At FVTPL				
Other financial liabilities	-	-	-	-

47. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	Rs. in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 22 & 26)	49,416.11	47,059.04
Less: Cash and cash equivalents (Note 15)	(874.20)	(3,325.82)
Net Debt	48,541.90	43,733.22
Equity Share Capital	1,220.71	1,220.71
Other Equity	37,565.80	31,105.35
Total Capital	38,786.51	32,326.06
Capital and Net Debt	87,328.42	76,059.28
Gearing Ratio	55.59%	57.50%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

48. Disclosures as required under Schedule III to the Companies Act, 2013, of the enterprises consolidated as Subsidiary/Associates :

Name of the Entities	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated net assets	Amount	As a % of Consolidated Profit	Amount
Parent :	85.45	31,942.66	112.44	1,583.03
Subsidiary :				
Indian Subsidiaries				
Bhartiya Global Marketing Ltd	1.06	396.04	(0.02)	(0.24)
J&J Leather Enterprises Ltd	1.29	483.34	1.12	15.74
Bhartiya International Sez Ltd	3.33	1,243.17	(2.25)	(31.73)
Bhartiya Fashion Retail Ltd	0.02	9.29	0.13	1.90
Bhartiya Urban Infrastructure Ltd.	0.01	2.84	(0.02)	(0.32)
Foreign Subsidiaries				
World Fashion Trade Ltd.	(0.04)	(16.58)	(0.95)	(13.37)
Design Industry China Limited	0.18	68.02	2.63	37.04
Ultima SA	8.79	3,284.34	(112.61)	(1,585.43)
Ultima Italia SRL	4.57	1,707.79	0.04	0.54
Design Industry Limited , Hongkong	7.79	2,911.57	91.85	1,293.15
Sub Total		<u>42,032.48</u>		<u>1,300.31</u>
Inter-company Elimination & Consolidation Adjustments	(12.44)	<u>(4,649.08)</u>	7.64	<u>107.53</u>
Grand Total		<u>37,383.40</u>		<u>1,407.84</u>
Non-Controlling Interest in subsidiaries		136.04		3.51
Share of Profit in Associates		<u>1,403.05</u>		<u>4,815.92</u>
		<u>38,922.49</u>		<u>6,227.27</u>

49. Financial Risk Management

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk).

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in below table.

Particulars	Rs. in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Less than 6 month	9,732.05	11,046.32
More than 6 month	3,237.87	1,932.04

Liquidity Risk

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

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**Maturity Profile of Financial Liabilities** **Rs. in Lakhs**

Particulars	As at 31st March, 2023			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	32,803.88	14,828.05	1,784.18	49,416.11
Trade Payable	9,106.16	-	-	9,106.16
Lease Liabilities	116.37	469.16	109.38	694.91
Other Financial Liabilities	1,694.46	-	-	1,694.46

Particulars	As at 31st March, 2022			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of Long Term borrowing)	30,547.95	15,647.03	864.06	47,059.04
Trade Payable	11,751.83	-	-	11,751.83
Lease Liabilities	99.82	411.84	216.37	728.03
Other Financial Liabilities	1,085.68	-	-	1,085.68

Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may, result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk **Rs. in Lakhs**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Total Borrowings	49,416.11	47,059.03
% of Borrowings out of above bearing variable rate of interest	60.22%	58.77%

Interest Rate Sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax

100 bp increase would decrease the profit before tax by	481.10	452.77
100 bp decrease would Increase the profit before tax by	481.10	452.77

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**Rs. in Lakhs****Foreign Currency Risk Management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	339.87	84.87	99.91	410.16
EURO	34.49	13.73	37.95	74.32
GBP	0.23	36.30	37.89	10.53
HKD	146.87	7.95	332.00	146.60
RMB	5.94	0.45	9.68	0.26
CHF	119.20	46.96	124.74	69.79

Foreign Currency Sensitivity

The following table details the Company's sensitivity to a 5% change in rupee value against the relevant foreign currencies, which is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end.

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	1,397.63	(1,397.63)	379.15	(379.15)
EURO	154.34	(154.34)	159.10	(159.10)
GBP	1.17	(1.17)	188.85	(188.85)
HKD	77.95	(77.95)	160.85	(160.85)
RMB	3.56	(3.56)	5.39	(5.39)
CHF	535.86	(535.86)	512.85	(512.85)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Liabilities				
USD	(349.01)	349.01	(1,556.56)	1,556.56
EURO	(61.44)	61.44	(311.60)	311.60
GBP	(184.59)	184.59	(52.49)	52.49
HKD	(4.22)	4.22	(71.03)	71.03
RMB	(0.27)	0.27	(0.14)	0.14
CHF	(211.11)	211.1	(286.95)	286.95
Impact on Profit or Loss as at the end of reporting year	<u>1,359.87</u>	<u>(1,359.87)</u>	<u>(872.58)</u>	<u>872.58</u>

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Disclosure Regarding Derivative Instruments.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The following are outstanding forward contracts which has been designated as cash flow hedges:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Currency	Foreign Currency Lacs	Currency	Foreign Currency Lacs
Forwards Contracts	USD	117.35	USD	71.50
	EURO	87.74	EURO	15.00
	GBP	5.00	GBP	18.00

50. RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Name of Related Parties & Nature of Relationship:	Country	Ownership Interest
i) Associate parties :		
Bhartiya Urban Pvt. Ltd.	India	36.77%
Tada Mega Leather Cluster Pvt Ltd.	India	50%
ii) Executive Directors:		
Manoj Khattar		Whole Time Director
Amrish Pal Singh		
Nikhil Aggarwal		
Walter Willi Zwahlen		
iii) Non-Executive Directors		
Snehdeep Aggarwal		Director
Ramesh Bhatia		Director
C.L. Handa		(resigned from 23.09.2022) Independent Director (Completed tenure as Director on 29.09.2022)
Sandeep Seth		Independent Director (Completed tenure as Director on 29.09.2022)
Shashank		Independent Director (Completed tenure as Director on 29.09.2022)
A. Sahasranaman		Independent Director (Completed tenure as Director on 29.09.2022)
S. M. Swathi		Independent Director
Robert Burton Moore Jr.		Director
NavKiran Singh Ghei		Independent Director (appointed from 11.08.2022)
Vivek Kapur		Independent Director (appointed from 11.08.2022)
Deepak Bhojwani		Independent Director (appointed from 11.08.2022)
Mukul Harmilapi		Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**iv) Enterprises owned or significantly influenced by Executive Directors or their relatives :**

Itopia Management Services (India) Pvt. Ltd.
Parushni Interior Designs Pvt. Ltd.

v) Trust

Bhartiya International Limited Employees Group Gratuity Scheme Post Employment Benefit Plan

Particulars	Rs. in Lakhs	
	2022-23	2021-22
b) Transactions during the year with related parties :		
1. Sales		
Parushni Interior Designs Pvt. Ltd.	0.12	-
2. Other Income		
Parushni Interior Designs Pvt. Ltd.	0.43	0.36
3. Salaries		
Manoj Khattar	81.35	93.79
Amrishpal singh	3.00	3.00
Nikhil Aggarwal	98.80	101.86
Walter willi Zwahlen	53.06	48.11
4. Lease Rent Received		
Parushni Interior Designs Pvt. Ltd.	18.00	18.00
5. Other Expenses		
Itopia Management Services (India) Pvt. Ltd.	0.23	0.13
6. Legal and Professional Fees		
Itopia Management Services (India) Pvt. Ltd.	3.50	4.50
Robert Burton Moore Jr.	102.19	80.63
Snehdeep Aggarwal	9.00	9.00
Mukul Harmilapi	12.50	14.68
7. Purchase of Fixed Assets		
Parushni Interior Designs Pvt. Ltd.	1.15	-
8. Sitting Fee		
Ramesh Bhatia	0.11	0.44
C.L. Handa	0.56	1.06
Sandeep Seth	0.56	1.22
Shashank	1.11	1.22

Particulars	2022-23	2021-22
A. Sahasranaman	0.56	0.33
S.M. Swathi	2.14	0.53
Navkiran Singh Ghei	1.50	-
Deepak Bhojwani	0.83	-
Vivek Kapur	1.22	-

c) Balances Outstanding at the year end:

1. Trade Payable

Parushni Interior Designs Pvt. Ltd	0.15	-
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2. Expenses/Others Payables

Amrishpal singh	0.23	0.24
Itopia Management services(India) Pvt. Ltd.	-	0.62
Snehdeep Aggarwal	0.68	0.68

3. Security Deposit (Received)

Parushni Interior Designs Pvt. Ltd.	1.50	1.50
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As per our report of even date attached

For SUSHIL PODDAR & CO.

Chartered Accountants
Firm Reg. No. 014969N

S.K. Poddar

Partner
Mem. No. 094479

Gurugram, 30th May, 2023

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

For and on behalf of the Board

Manoj Khattar

Whole-time Director
DIN: 00694981

Vivek Kapur

Director
DIN: 09678378

CONSOLIDATED FINANCIAL SUMMARY

Rs. in Lakhs

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Equity Share Capital	1106.38	1121.38	1171.38	1174.09	1218.13	1219.42	1220.19	1220.24	1220.71	1220.71
Reserves & Surplus	14518.27	16276.96	20014.16	25579.31	36272.00	38276.25	33455.76	32811.74	31105.35	37565.80
Net Worth	15798.28	17864.48	22394.47	26753.41	37490.13	39495.67	34675.95	34031.98	32326.06	38786.51
Capital Employed	19521.88	21582.50	26468.25	30699.56	43225.88	46795.74	41972.58	47698.42	50540.77	57122.98
Gross Fixed Assets	9591.43	10428.12	12109.72	9422.58	12787.52	13773.50	16020.50	22967.79	25829.95	27980.68
Net Fixed Assets	6888.19	7316.30	8412.82	8922.09	11574.45	11798.37	13066.17	19020.72	19662.50	19385.85
Export Sales including Export Incentives	41440.95	55812.77	62215.89	64194.24	71051.66	74799.74	72069.58	54839.35	69350.95	79859.80
Other Income	351.49	333.80	378.91	618.56	725.54	1198.07	435.50	495.50	3217.40	335.74
Total Income	41792.44	56146.57	62600.50	64812.80	71777.20	75997.81	72505.08	55334.85	72568.35	80195.54
EBITDA	4059.35	5299.22	5104.13	4659.23	5408.24	6717.19	6399.58	3717.50	6764.78	8227.05
Depreciation	395.46	630.24	604.98	601.53	748.27	812.70	998.01	1033.49	2380.63	2522.78
EBIT	3663.88	4668.98	4499.15	4057.70	4659.97	5904.49	5401.57	2684.01	4384.15	5704.27
Profit before Tax	2096.56	2953.65	3192.93	2667.25	2703.91	2851.18	2910.24	298.03	2056.59	2034.67
Tax Expenses	646.96	839.46	920.88	808.95	842.61	954.74	435.87	28.37	546.00	592.96
Net Profit After Tax and before Share of Profit / (Loss) Of Associates	1451.83	2099.93	2279.26	1858.30	1861.30	1896.44	2474.37	269.66	1510.59	1441.71
Non Controlling Interest	(1.45)	14.26	(7.22)	(5.68)	(3.43)	(0.01)	(1.59)	(3.01)	(3.41)	(3.51)
Share in Profit	0.78	0.44	192.22	(58.54)	(118.07)	80.35	(348.68)	(887.33)	(3167.02)	4815.92
Net Profit after Share of Profit and Loss Of Associates	1451.83	2100.37	2471.48	1799.76	1743.23	1976.79	2125.69	(617.37)	(1656.43)	6257.63
Equity Dividend (%)	10.00	10.00	12.00	12.00	12.00	12.00	-	-	-	-
EPS (Basic) Rs.	13.12	18.83	21.69	15.33	14.42	16.25	17.67	(4.83)	(13.36)	50.98
EPS(Diluted) Rs.	13.06	18.50	21.48	14.98	14.28	16.14	17.61	(4.82)	(13.34)	50.91

INDEPENDENT AUDITOR'S REPORT

The Members of

Bhartiya International Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/s **Bhartiya International Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibility for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Revenue Recognition:</p> <p>Revenue from the sale of good (hereinafter referred to as "Revenue" is recognized when Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer.</p> <p>The timing of revenue recognition is relevant to the reported performance of the company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 3.11 to the Standalone Financial Statements.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Assessed the Company's revenue recognition accounting policies in line with the Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. • Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over revenue recognition. • Evaluated the design, implementation and operating effectiveness of Company's control in respect of revenue recognition. • Tested the effectiveness of such controls over revenue cut off at the year-end • On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents. • Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end. • Assessed disclosure in financial statements in respect of revenue, as specified in Ind AS 115.

Information Other than the Financial Statement and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, but does not include the standalone financial statements and our auditor’s report there on.

Our opinion on the standalone financial statement 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 financial statement our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our 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.

Management’s and Board of Director’s Responsibility for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (“Ind As”) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 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.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement 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 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 financial statement, 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 standalone financial statement 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 financial statement, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statement that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statement.

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 the internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 A, a statement on the matters specified in the paragraph 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 purposes 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 Standalone Financial Statements dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - (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 financial statements (Refer Note 39 & to standalone financial statements.)

- ii) The company has made provision as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v) No dividend has been declared or paid during the year by the Company.
- vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1st April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

for Sushil Poddar & Co.

Chartered Accountants

Firm's Registration No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

UDIN: 23094479BGUZCZ2268

Gurugram, 30th May, 2023

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2023, we report that:

- I (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The fixed assets are physically verified by the Management according to a phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties (other than self-constructed building and properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except for the following which are not held in the name of the Company:

Description of Property	Gross carrying value	Held in the name of	Whether promoter, director of their relative of employee	Period held	Reason for not being held in name of company
PPE	18,50,000	Pardeep Goyal	Yes	12.08.2000	Due to issue in Registration

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- II (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In respect of inventory lying with third parties at the year-end, these have substantially been confirmed by them. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets during the year. According to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- III According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided guarantees during the year to companies and other parties, details of which are stated below. The Company has not provided guarantees during the year to firms or limited liability partnerships.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided guarantee to any other entity as below:

<u>Particulars</u>	<u>Guarantee amounts</u>
Aggregate amount of guarantee provided during the year	
- Subsidiaries	Rs. 60.78 Crore
Balance outstanding as at balance sheet date – 31 March 2023	
- Subsidiaries	Rs. 60.78 Crore

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) The Company has not granted any loans or advances in the nature of loan secured or unsecured. Hence, reporting under clause 3(iii)(c), 3(iii)(d), and 3(iii)(e), of the Order is not applicable.
- IV According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- V The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- VI According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the business activities carried out by the company. Accordingly, clause 3(vi) of the Order is not applicable.
- VII In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount in Rs.
Goods and Service Tax Act, 2017	Goods and Service Tax	Appellate Authority upto Commissioner level	F.Y. 2017-18, 2018-19, 2019-20 & 2020-21	81,07,470/-
KVAT Act	Karnataka VAT	Karnataka Appellate Tribunal	F.Y. 2009-2010 & 2010-2011	56,59,787/-
TVAT Act	Tamilnadu VAT	Assessing Authority	F.Y. 2014-15	8,13,934/-
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax, Appeals	F.Y. 2019-2020	50,74,770/-
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	F.Y. 2017-18 & 2018-19	34,34,29,495/-

- VIII There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the IncomeTaxAct, 1961 (43 of 1961).

IX

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates, as defined in the Act. The Company does not hold any investment in any joint venture (as defined in the Act) during the year ended 31 March 2023.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates (as defined under the Act).
- X a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally).
- XI a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- XII The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- XIII In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- XIV (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, in determining the nature, timing and extent of our audit procedures.
- XV In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs
- XVII The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- XVIII There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- XIX According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing

at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for Sushil Poddar & Co.

Chartered Accountants
Firm's Registration No. 014969N

S.K. Poddar

Partner
Mem. No. 094479
UDIN: 23094479BGUZZCZ2268

Gurugram, 30th May, 2023

ANNEXURE - B TO THE AUDITORS' REPORT

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 "**Bhartiya International Limited**" ("the Company") as of 31st March 2023 in conjunction with our audit of the standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, 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 Sushil Poddar & Co.

Chartered Accountants
Firm's Registration No. 014969N

S.K. Poddar

Partner
Mem. No. 094479
UDIN: 23094479BGUZCZ2268

Gurugram, 30th May, 2023

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. in Lakhs

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I Assets			
1 Non - Current Assets			
(a) Property, Plant and Equipment	4	12,734.55	10,641.87
(b) Capital Work-in-Progress	4.1	-	811.52
(c) Right of Use Assets	4.3	887.42	925.23
(d) Investment Property	5	513.58	524.49
(e) Intangible Assets	6	48.05	52.90
(f) Investments in Subsidiaries & Associates	7	6,576.09	6,576.09
(g) Financial Assets			
(i) Investments	8	0.01	0.01
(ii) Other financial Assets	9	2,394.97	133.80
(h) Other Non-Current Assets	10	61.30	60.87
2 Current Assets			
(a) Inventories	11	50,529.99	44,680.49
(b) Financial Assets			
(i) Investments	12	-	-
(ii) Trade Receivables	13	8,452.38	8,387.63
(iii) Cash and Cash Equivalents	14	435.78	791.32
(iv) Bank balances Other than Cash & Cash Equivalents	15	2,385.02	4,244.50
(v) Loans	16	1,117.68	1,082.06
(vi) Others Financial Assets	17	1,703.17	3,026.81
(c) Current Tax Assets (net)		125.53	106.23
(d) Other Current Assets	18	2,231.50	2,435.42
TOTAL ASSETS		90,197.02	84,481.24
II Equity and Liabilities			
1 Equity			
(a) Equity Share Capital	19	1,220.71	1,220.71
(b) Other Equity	20	30,721.95	29,138.92
2 Liabilities			
Non - current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	13,258.55	13,221.55
(ii) Lease Liability		394.69	421.54
(ii) Other Financial Liabilities	22	99.84	91.60
(b) Provisions	23	16.62	-
(b) Other non-Current Liabilities	24	100.56	114.02
(c) Deferred Tax Liabilities (Net)	25	796.06	835.38
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	32,453.56	30,020.85
(ii) Lease Liability		95.16	84.11
(iii) Trade payables	27		
Total outstanding dues of micro enterprises and small enterprises		868.23	413.60
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,315.69	7,939.40
(iv) Other financial liabilities	28	1,299.32	656.55
(b) Provisions	29	146.10	183.80
(c) Other Current Liabilities	30	21.27	139.21
(d) Current Tax Liabilities (Net)		388.72	-
TOTAL OF EQUITY AND LIABILITIES		90,197.02	84,481.24
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements	1 to 53		

As per our report of even date attached

For SUSHIL PODDAR & CO.Chartered Accountants
Firm Reg. No. 014969N**S.K. Poddar**Partner
Mem. No. 094479**Yogesh Kumar Gautam**

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

For and on behalf of the Board**Manoj Khattar**Whole-Time Director
DIN: 00694981**Vivek Kapur**Director
DIN: 09678378

Gurugram, 30th May, 2023

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

Particulars	Note No.	Year Ended 31st March, 2023	Year Ended 31st March, 2022
INCOME			
Revenue from Operations	31	66,443.38	53,085.40
Other Income	32	346.22	463.56
Total Income		<u>66,789.60</u>	<u>53,548.96</u>
EXPENSES			
Cost of material consumed	33	34,789.94	31,809.49
Purchases of Stock-in-Trade		15.58	335.02
Change in Inventories of Finished Goods & Work-in-Progress	34	1,188.86	(1,772.29)
Employee Benefits Expense	35	4,675.51	3,819.34
Finance Costs	36	3,445.43	2,272.86
Depreciation and Amortisation Expense	37	980.75	834.80
Other Expenses	38	19,509.57	14,561.00
Total Expenses		<u>64,605.64</u>	<u>51,860.22</u>
Profit / (Loss) before tax for the year		2,183.96	1,688.74
Tax Expenses	39		
i Current Tax		594.51	327.72
ii Deferred Tax		(27.81)	166.12
Profit / (Loss) for the year (A)		<u>1,617.26</u>	<u>1,194.90</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Remeasurements of the defined benefit plans		(45.74)	29.68
Income tax relating to above items		11.51	(7.60)
Total Other Comprehensive Income for the Year (B)		<u>(34.23)</u>	<u>22.08</u>
Total Comprehensive Income for the Year (A+B)		<u>1,583.03</u>	<u>1,216.98</u>
Earnings per equity share of Face Value			
Basic (in Rupees)		13.25	9.79
Diluted (in Rupees)		13.23	9.78
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements	1 to 53		

As per our report of even date attached

For SUSHIL PODDAR & CO.Chartered Accountants
Firm Reg. No. 014969N**S.K. Poddar**

Partner

Mem. No. 094479

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

For and on behalf of the Board**Manoj Khattar**

Whole-Time Director

DIN: 00694981

Vivek Kapur

Director

DIN: 09678378

Gurugram, 30th May, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A Equity Share Capital Rs. in Lakhs

Particulars	Notes	Amount
Balance as at 31st March, 2021		1,220.24
Change in equity share capital during the year 2021-22	19.1	0.47
Balance as at 31st March, 2022		1,220.71
Change in equity share capital during the year 2022-23	19.1	-
Balance as at 31st March, 2023		1,220.71

B Other Equity (Refer Note 20)

Particulars	Application Money Pending for allotment	Employee Stock Options Outstanding	Reserves and Surplus					Total
			Preferential Share Warrant Forfeited	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (defined benefit plan)	
Balance as at 31st March, 2021	0.37	109.98	925.75	7,836.81	3,517.36	15,493.30	36.83	27,920.40
Profit for the year	-	-	-	-	-	1,194.90	-	1,194.90
Other Comprehensive Income for the year	-	-	-	-	-	-	22.08	22.08
Transfer to Security premium on issue of share	-	(20.53)	-	22.44	-	-	-	1.91
Transfer from ESOP	(0.37)	-	-	-	-	-	-	(0.37)
Balance as at 31st March, 2022	-	89.45	925.75	7,859.25	3,517.36	16,688.20	58.91	29,138.92
Profit for the year	-	-	-	-	-	1,617.26	-	1,617.26
Other comprehensive income for the year	-	-	-	-	-	-	(34.23)	(34.23)
Balance as at 31st March, 2023	-	89.45	925.75	7,859.25	3,517.36	18,305.46	24.68	30,721.95

As per our report of even date attached

For SUSHIL PODDAR & CO.

Chartered Accountants
Firm Reg. No. 014969N

S.K. Poddar

Partner

Mem. No. 094479

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

For and on behalf of the Board

Manoj Khattar

Whole-Time Director

DIN: 00694981

Vivek Kapur

Director

DIN: 09678378

Gurugram, 30th May, 2023

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per statement of Profit and loss	2,183.96	1,688.74
Adjustment for :		
Finance Cost	3,445.43	2,272.86
Depreciation and amortisation Expenses	980.75	834.80
Loss/(Profit) on sale of Property, Plant & Equipment (net)	(2.34)	7.44
Rental Income	(246.96)	(291.09)
Dividend Income	-	-
Interest Income	-	(0.02)
Government Grant Income	(4.44)	(4.44)
Operating profit/(loss) before Working Capital Changes	6,356.40	4,508.29
Movements in Working Capital:		
Increase/ (decrease) in trade payables	830.93	3,229.04
Increase/ (decrease) in other financial liabilities	616.75	(0.70)
Increase/ (decrease) in other liabilities	(117.94)	14.10
Increase/ (decrease) in provisions	(35.94)	62.02
Decrease/ (increase) in inventories	(5,849.50)	(4,367.30)
Decrease/ (increase) trade receivables	(64.75)	(613.59)
Decrease/ (increase) in loan	(35.61)	67.06
Decrease/ (increase) in other current financial assets	1,323.63	(140.97)
Decrease/ (increase) in other current assets	203.92	556.91
Decrease/ (increase) in other non-current assets	(16.34)	0.02
Decrease/ (increase) in other non-current financial assets	(86.25)	(20.27)
Cash (used in) / Generated from Operations	3,125.30	3,294.61
Income tax paid (Net)	(225.09)	(341.91)
Net Cash (used in)/ Generated from Operating Activities - (A)	2,900.21	2,952.70
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(2,109.76)	(2,707.34)
Capital advance/Capital creditors (net)	41.91	(21.33)
Proceeds from sale of Property, Plant & Equipment	4.89	29.10
Security deposit	(0.78)	-
Rental Income	246.96	291.09
Interest income	-	0.02
Fixed Deposit with bank	(346.32)	(2,063.09)
Net Cash from/ (used in) Investing Activities - (B)	(2,163.10)	(4,471.55)

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	606.93	5,333.47
Proceeds from short-term borrowings (net)	1,862.78	(1,159.48)
Payment of Lease Liability	(163.68)	(113.67)
Share Application money received	-	-
Share Capital including securities premium	-	2.01
Interest and processing fees paid (net)	(3,398.69)	(2,241.97)
Net cash from/ (used in) Financing Activities - (C)	<u>(1,092.66)</u>	<u>1,820.36</u>
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(355.55)	301.51
Cash and cash equivalents as at beginning of the year	791.33	489.81
Cash and Cash Equivalents as at the end of the year	<u>435.78</u>	<u>791.32</u>
Components of Cash and Cash Equivalents:		
Cash on hand	20.34	11.59
Balances with scheduled banks:		
In current accounts	415.44	779.73
In term deposit (Less than three month)	-	-
Cash and Cash Equivalents in Cash Flow Statement	<u>435.78</u>	<u>791.32</u>

Note: The above Standalone Statement of cash flows has been prepared under the 'Indirect method' as set out in Ind As-7, Statement of cash flows.

As per our report of even date attached

For SUSHIL PODDAR & CO.

Chartered Accountants
Firm Reg. No. 014969N

S.K. Poddar

Partner
Mem. No. 094479

Gurugram, 30th May, 2023

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

For and on behalf of the Board

Manoj Khattar

Whole-Time Director
DIN: 00694981

Vivek Kapur

Director
DIN: 09678378

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Bhartiya International Limited ('the Company') is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on leading stock exchange in India. The Company has its registered office at Chennai and its corporate office at Gurugram, Haryana. The Company is in the business of manufacturing and trading of leather products & textile products.

2 BASIS OF PREPARATION

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

The financial statements have been prepared on the historical cost basis except the certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies.

Based on the nature of products/activities and the time between acquisition of assets and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

Freehold land is carried at cost. All other items of property, plant and equipment and Capital work in progress (including Pre-operative expenses) are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II.

Assets acquired under finance lease and leasehold improvements are amortized over the shorter of estimated useful life of the asset or the related lease term.

3.2 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and applicable borrowing costs less depreciation and impairment if any.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of building generally in accordance with that provided in the Schedule II of the Companies Act .

3.3 Intangible Assets

Computer Software

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation Method and Useful Life

The Company amortizes computer software using the straight-line method over the period of 3 years.

3.4 Lease

Effective from 1st April, 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-Term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.5 Investment In Subsidiaries And Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists permanently, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

3.6 Inventories

Raw materials and consumables have been valued at cost after providing for obsolescence. Cost comprise of cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis. Finished goods are value at cost or net realisable value whichever is lower. Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

3.7 Cash & Cash Equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under other current liabilities.

3.8 Employee Benefits

Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Defined Benefit Plan

Gratuity is a defined benefit obligation. The Company accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary.

Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

3.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Financial Assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Debt Instruments

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at Amortised Cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at Fair Value through Other Comprehensive Income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

(c) Measured at Fair Value through Profit or Loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and Other Payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Derivative Instruments

The Company enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. These contracts are initially recognised at fair value and subsequently, at the end of each reporting period, re-measured at their fair values on reporting date. The resulting gain or loss is recognised in profit or loss in the same line as the movement in the hedged exchange rate.

3.10 Provision and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

3.11 Revenue Recognition

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and taxes. Transaction price is recognised based on the price specified in the contract, net of discount.

Revenue from Services

Revenue from services is recognised in the accounting period in which the services are rendered.

Other Operating Revenue - Export Incentives

Export Incentives under various schemes are accounted in the year of export.

Interest Income

Interest income is recognized using the effective interest rate (EIR) method

Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

3.12 Foreign Currency Translation

The Company's financial statements are presented in Indian currency, which is also the company's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded in functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.13 Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in other comprehensive income.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.14 Earning Per Share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

3.15 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

3.16 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

3.17 Share Based Payment

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

3.18 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving Critical Estimates or Judgement are:

- Estimation of Defined benefit obligation
- Estimation of current tax expenses and Payable
- Useful lives of depreciable assets
- Provision and contingent liability
- Carry value of investment in subsidiariy and associates

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Rs. in Lakhs							
	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount								
Balance as at 31st March, 2021	223.25	5,181.11	5,798.07	361.40	205.33	394.33	222.13	12,385.62
Addition	-	798.34	895.17	43.03	60.52	38.19	44.32	1,879.57
Disposal					72.19			72.19
Balance as at 31st March, 2022	223.25	5,979.45	6,693.24	404.43	193.66	432.52	266.45	14,193.00
Addition	-	1,773.42	987.17	50.32	10.60	38.36	50.01	2,909.88
Disposal			8.40		10.34		0.35	19.09
Balance as at 31st March, 2023	223.25	7,752.87	7,672.01	454.75	193.92	470.88	316.11	17,083.79
Accumulated Depreciation								
Balance as at 31st March, 2021	-	679.50	1,539.84	163.11	99.55	227.40	182.70	2,892.10
Addition		166.88	406.18	33.01	24.34	42.72	21.55	694.68
Disposal					35.65			35.65
Balance as at 31st March, 2022	-	846.38	1,946.02	196.12	88.24	270.12	204.25	3,551.13
Addition		204.24	485.18	36.12	17.86	39.52	31.74	814.66
Disposal			7.28		9.14		0.13	16.55
Balance as at 31st March, 2023	-	1,050.62	2,423.92	232.24	96.96	309.64	235.86	4,349.24
Net carrying amount								
Balance as at 31st March, 2022	223.25	5,133.07	4,747.22	208.31	105.42	162.40	62.20	10,641.87
Balance as at 31st March, 2023	223.25	6,702.25	5,248.09	222.51	96.96	161.24	80.25	12,734.55

a) **Title deeds of Immovable Properties not held in name of the Company**

Relevant line item in the Balance Sheet	Description of item of Property	Gross Carrying Value	Title deeds held in the Name of	Whether title deed holder is a promoter or director or Relative of Promoter Director	Property held since which date	Reason for not being held in the name of the company
PPE	Building	18.50	Pardeep Goyal	Relative of Director	12.08.2000	Due to issue in Registration

b) All immovable property is held in the name of company except mentioned above.

c) The company has not revalued its Property, Plant and Equipment during the current reporting period.

d) The company does not hold any Benami Property and does not have any proceedings initiated or pending for holding benami property under the Benami Transactions (Prohibitions) Act, 1988.

4.1 Capital Work in Progress

Balance as at 31st March, 2022	811.52
Balance as at 31st March, 2023	-

4.1.1 Ageing of Capital Work-in-Progress ageing

	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
31 March, 2023					
Projects in Process	-	-	-	-	-
31 March, 2022					
Projects in Process	811.52	-	-	-	811.52

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

4.2 RIGHT OF USE ASSETS

Particulars	Rs. in Lakhs		
	Land	Building	Total
Gross Carrying Amount			
Balance as at 31st March, 2021	532.34	431.32	963.66
Addition	-	235.41	235.41
Disposal/Adjustment		27.07	27.07
Balance as at 31st March, 2022	532.34	639.66	1,172.00
Addition	-	101.14	101.14
Disposal/Adjustment			-
Balance as at 31st March, 2023	<u>532.34</u>	<u>740.80</u>	<u>1,273.14</u>
Accumulated Depreciation			
Balance as at 31st March, 2021	25.27	137.56	162.83
Addition	12.64	98.37	111.01
Disposal/Adjustment	-	27.07	27.07
Balance as at 31st March, 2022	37.91	208.86	246.77
Addition	12.64	126.31	138.95
Disposal/Adjustment			-
Balance as at 31st March, 2023	<u>50.55</u>	<u>335.17</u>	<u>385.72</u>
Net carrying amount			
Balance as at 31st March, 2022	494.43	430.80	925.23
Balance as at 31st March, 2023	<u>481.79</u>	<u>405.63</u>	<u>887.42</u>

5. INVESTMENT PROPERTIES

Particulars	Buildings	Total
Gross Carrying Amount		
Balance as at 31st March, 2021	589.92	589.92
Addition		
Disposal		
Balance as at 31st March, 2022	<u>589.92</u>	<u>589.92</u>
Addition		
Disposal		
Balance as at 31st March, 2023	<u>589.92</u>	<u>589.92</u>
Accumulated Depreciation		
Balance as at 31st March, 2021	54.52	54.52
Addition	10.91	10.91
Disposal		
Balance as at 31st March, 2022	<u>65.43</u>	<u>65.43</u>
Addition	10.91	10.91
Disposal		
Balance as at 31st March, 2023	<u>76.34</u>	<u>76.34</u>
Net Carrying Amount		
Balance as at 31st March, 2022	524.49	524.49
Balance as at 31st March, 2023	<u>513.58</u>	<u>513.58</u>
Fair Value		
As at 31st March, 2022	2,696.53	2,696.53
As at 31st March, 2023	<u>2,696.53</u>	<u>-</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

5.1 Particulars	Rs. in Lakhs	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Rental income derived from investment properties	205.48	252.35
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Income arising from investment properties before depreciation	205.48	252.35
Depreciation	10.91	10.91
Income from investment properties (Net)	194.57	241.44

5.2 Maturity Analysis of Lease Payments to be received in aggregate & each of following year:

Particulars	Rs. in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Not later than one year	264.07	257.24
Later than one year and not later than five years	1,051.82	1,057.51
Later than five years	150.72	409.09

5.3 Estimation of Fair Value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in village/city area.

This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

6. INTANGIBLE ASSETS

Particulars	Rs. in Lakhs	
	Computer Software	Total
Gross Carrying Amount		
Balance as at 31st March, 2021	309.31	309.31
Addition	32.52	32.52
Disposal	-	-
Balance as at 31st March, 2022	341.83	341.83
Addition	11.38	11.38
Disposal	-	-
Balance as at 31st March, 2023	353.21	353.21
Accumulated Depreciation		
Balance as at 31st March, 2021	270.72	270.72
Addition	18.21	18.21
Disposal	-	-
Balance as at 31st March, 2022	288.93	288.93
Addition	16.23	16.23
Disposal	-	-
Balance as at 31st March, 2023	305.16	305.16
Net Carrying Amount		
Balance as at 31st March, 2022	52.90	52.90
Balance as at 31st March, 2023	48.05	48.05

- a) There are no intangible assets under development in the company during the current reporting period.
- b) The Company has not revalued its intangible Assets during the current reporting period .

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES Rs. in Lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Shares(Nos)	Amount	Shares(Nos)	Amount
A INVESTMENTS IN WHOLLY OWNED SUBSIDIARIES				
i. Equity Instrument at Cost (Unquoted)				
1 Equity share of Rs. 10/- each, fully paid in Bhartiya Global Marketing Ltd., India	49,99,020	499.90	49,99,020	499.90
2 Equity Shares of Rs. 10/- each, fully paid in Bhartiya International Sez Ltd., India	1,20,69,230	1,206.92	1,20,69,230	1,206.92
3 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Fashion Retail Ltd., India	5,00,000	50.00	5,00,000	50.00
4 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Infrastructure Ltd., India	50,000	5.00	50,000	5.00
5 Equity Shares in Ultima S.A. ,Switzerland (having par value of SFR 1,000/- each)	1,000	337.86	1,000	337.86
6 Equity Shares in World Fashion Trade Ltd., Hongkong (having par value of \$ 1/- each)	7,09,000	478.14	7,09,000	478.14
Total (A)		<u>2,577.82</u>		<u>2,577.82</u>
B INVESTMENTS IN ASSOCIATES				
i. Equity Instrument at Cost (Unquoted)				
1 Equity Shares of Rs. 10 each, fully paid in Bhartiya Urban Private Limited (Earlier known as Bhartiya City Developers Private Limited)	3,43,93,260	3,999.60	3,43,93,260	3,999.60
2 Equity Shares of Rs. 10 each, fully paid in Tada Mega Leather Cluster Pvt. Ltd.	5,000	0.50	5,000	0.50
Total (B)		<u>4,000.10</u>		<u>4,000.10</u>
Total (A+B)		<u>6,577.92</u>		<u>6,577.92</u>
Aggregate amount of unquoted Investments before impairment		6,577.92		6,577.92
Less: Provision for diminution in value of investment		1.83		1.83
Aggregate amount of unquoted Investments after impairment		<u>6,576.09</u>		<u>6,576.09</u>

8. NON-CURRENT INVESTMENTS

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Units(No.)	Amount	Units(No.)	Amount
A Investments in Mutual Funds (Unquoted)				
At Fair value through Profit and loss				
i) Reliance ETF Liquid BeES	1.222	0.01	1.124	0.01
TOTAL		<u>0.01</u>		<u>0.01</u>
Aggregate amount of unquoted Investments		0.01		0.01
Aggregate amount of impairment in Value of unquoted Investments		-		-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**9. OTHER NON CURRENT FINANCIAL ASSETS****Rs. in Lakhs**

Particulars	As at	
	31st March, 2023	31st March, 2022
(Unsecured & Considered Good)		
(a) Security and Other Deposits	189.17	102.92
(b) Other Advances	-	30.88
(c) Fixed deposit maturity more than 12 months (Lien with bank against various facilities)	2,205.80	-
TOTAL	<u>2,394.97</u>	<u>133.80</u>

10. OTHER NON CURRENT ASSETS

(a) Capital Advances	31.57	47.48
(b) Security Deposits With Govt.Authority	25.00	8.63
(c) Prepayment Lease Rent	4.73	4.76
TOTAL	<u>61.30</u>	<u>60.87</u>

11. INVENTORIES

(a) Raw Materials	36,138.60	27,990.85
(b) Raw Materials -In transit	126.52	188.33
(c) Stock-in-Progress	735.61	1,099.39
(d) Finished Goods	8,971.18	9,796.26
(e) Consumable Store	4,558.08	5,605.66
TOTAL	<u>50,529.99</u>	<u>44,680.49</u>

12. CURRENT INVESTMENTS

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Shares (No)	Amount	Shares (No)	Amount
a) Investment In Equity Instrument (Unquoted)				
At Fair Value through Profit and Loss				
i) Sai Rayalaseema Paper Mills Ltd.	31,792	-	31,792	-
Total		-		-
Aggregate amount of unquoted Investments		-		-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**13. TRADE RECEIVABLES**

Rs. in Lakhs

Particulars	As at	As at
	31st March, 2023	31st March, 2022
<i>(Unsecured, considered good)</i>		
(a) Trade Receivable	7,844.62	7,638.68
(b) Receivable from related parties	607.76	748.95
<i>(refer no. 53)</i>		
TOTAL	<u>8,452.38</u>	<u>8,387.63</u>

Trade receivable ageing schedule for the year ended as on 31st March, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed -Trade Receivable Considered Good	4,869.44	2,691.56	129.59	-	162.64	599.15	8,452.38
Total	4,869.44	2,691.56	129.59	-	162.64	599.15	8,452.38

Trade receivable ageing schedule for the year ended as on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed -Trade Receivable Considered Good	4,929.16	2,702.22	-	175.77	580.48	-	8,387.63
Total	4,929.16	2,702.22	-	175.77	580.48	-	8,387.63

14. CASH AND CASH EQUIVALENT

a) Balances with Banks		
In current accounts	415.44	779.73
b) Cash on Hand	20.34	11.59
TOTAL	<u>435.78</u>	<u>791.32</u>

15. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

a) Fixed Deposit with the bank	2,380.11	4,238.58
b) Unpaid dividend accounts	4.91	5.92
TOTAL	<u>2,385.02</u>	<u>4,244.50</u>

15.1 Fixed deposits of Rs. 2373.14 Lacs (previous year Rs 4238.57 Lacs) are pledged with the banks for various limits and facilities granted.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

16. CURRENT LOAN	Rs. in Lakhs	
Particulars	As at 31st March, 2023	As at 31st March, 2022
<i>(Unsecured & Considered Good)</i>		
(a) Loans / Advances to Related Parties <i>(refer note no. 53)</i>	987.91	970.91
(b) Loan to Employee	129.77	111.15
TOTAL	<u>1,117.68</u>	<u>1,082.06</u>
17. OTHER CURRENT FINANCIAL ASSETS		
a) Export incentive receivable	694.26	1,473.54
b) Insurance claim receivable	-	132.57
c) GST Receivable	955.85	1,283.98
d) Other Advance	0.10	2.87
e) Derivatives-foreign exchange forward contract	-	96.35
f) Security and Other Deposits	52.96	37.50
TOTAL	<u>1,703.17</u>	<u>3,026.81</u>
18. OTHER CURRENT ASSETS		
a) Advances with suppliers	1,936.76	2,072.78
b) Prepaid Expenses	294.72	359.65
c) Other Advances	-	2.97
d) Prepayment lease rent	0.02	0.02
TOTAL	<u>2,231.50</u>	<u>2,435.42</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**19. SHARE CAPITAL****Rs. in Lakhs**

Particulars	As at	
	31st March, 2023	31st March, 2022
Authorised Share Capital		
a) 20,000,000 (31st March, 2022: 20,000,000) Equity Shares of Rs. 10/- each	2,000.0	2,000.0
b) 500,000 (31st March, 2022: 500,000) Preference Shares of Rs. 100/- each	500.0	500.0
	<u>2,500.0</u>	<u>2,500.0</u>
Issued, Subscribed & Paid Up :		
a) 12,207,129 (31st March, 2022: 12,207,129) Equity Shares of Rs.10/- each fully paid Up.	1,220.71	1,220.71
TOTAL	<u>1,220.71</u>	<u>1,220.71</u>

19.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	1,22,07,129	1,220.71	1,22,02,369	1,220.24
Shares Issued during the year	-	-	4,760	0.47
Shares outstanding at the end of the year	<u>1,22,07,129</u>	<u>1,220.71</u>	<u>1,22,07,129</u>	<u>1,220.71</u>

19.2 The details of Shareholders holding more than 5% shares

Name of the Share holders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehideep Aggarwal	11,43,362	9.37	11,43,362	9.37
(b) Bhartiya Infotech Pvt. Ltd.	10,10,000	8.27	10,10,000	8.27
(c) Bhartiya Global Ventures Pvt. Ltd.	30,47,100	24.96	30,47,100	24.96
(d) Bhartiya Advisory Services Pvt. Ltd.	6,81,913	5.59	6,81,913	5.59
(e) TIMF Holdings	7,06,474	5.79	7,06,474	5.79
(f) Chartered Finance & Leasing Ltd.	7,90,500	6.48	-	-

19.3 Shares Reserved for issue under options

Particulars	As at	
	31st March, 2023 No. of Shares	31st March, 2022 No. of Shares
a) Under 2013 employee stock option plan : Equity share of Rs.10/- each, at an exercise price of Rs.50/- per share	20,751	20,751

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs**

- 19.4 Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date, wherever applicable is given below:

Particulars	31st March, 2023	31st March, 2022	31st March, 2021	31st March, 2020	31st March, 2019
Shares issued during the period of five Years immediately preceding through reporting date on exercise of option granted under the Employee Stock Option Plan (ESOP) wherein part consideration was received in form of employee services.	-	4,760	500	7,695	12,920

- 19.5 Share held by promoter at 31st March, 2023

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
Snehdeep Aggarwal	11,43,362	9.37%	-
Ramesh Bhatia	3,40,250	2.79%	-
Promoters Group			
Arjun Aggarwal	4,96,150	4.06%	-
Kanwal Aggarwal	1,90,374	1.56%	-
Snehdeep Aggarwal HUF	50,000	0.41%	-
Parushni Aggarwal	7,500	0.06%	-
Pawan Aggarwal	5,000	0.04%	-
Bhartiya Global Venture Private Limited	30,47,100	24.96%	-
Bhartiya Infotech Private Limited	10,10,000	8.27%	-
Bhartiya Advisory Services Private Limited	6,81,913	5.59%	-
R.L Bhatia Associates Private Limited	30,000	0.25%	-

- 19.6 The Company has only one class of equity shares having a par values of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion of the number of equity share held by the shareholders.

- 19.7 During the Year, the company has allotted NIL (31st March, 2022: 4760) Equity share of Rs. 10/- each fully paid to its employees under Employee Stock Option Plan (ESOP 2013).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. in Lakhs							Total
	Application Money Pending for Allotment	Employee Stock Options Outstanding	Preferential Share Warrant Forfeited	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (defined benefit plan)	
Balance as at 31st March, 2021	0.37	109.98	925.75	7,836.81	3,517.36	15,493.30	36.83	27,920.40
Profit for the year	-	-	-	-	-	1,194.90	-	1,194.90
Other Comprehensive Income for the year	-	-	-	-	-	-	22.08	22.08
Transfer to Security premium on issue of share	-	(20.53)	-	22.44	-	-	-	1.91
Transfer from ESOP	(0.37)	-	-	-	-	-	-	(0.37)
Balance as at 31st March, 2022	-	89.45	925.75	7,859.25	3,517.36	16,688.20	58.91	29,138.92
Profit for the year	-	-	-	-	-	1,617.26	-	1,617.26
Other Comprehensive Income for the year	-	-	-	-	-	-	(34.23)	(34.23)
Balance as at 31st March, 2023	-	89.45	925.75	7,859.25	3,517.36	18,305.46	24.68	30,721.95
Component of other Equity								
Securities Premium	Represents amount received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.							
General Reserve	Represents accumulated profits set apart by way of transfer from current year profits or/and retained earnings for "other than specified purposes".							
Retained Earnings	Retained earnings represents the amount of accumulated earnings of the Company.							
Stock Options outstanding Account	The stock options outstanding account is used to recognize the grant date fair value of options issued to employees under the Company's' employee stock option plans							

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**21. NON-CURRENT BORROWINGS****Rs. in Lakhs**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
- Term Loans from Banks	13,226.34	13,162.51
- Vehicle Loans from Banks	32.21	59.04
TOTAL	<u>13,258.55</u>	<u>13,221.55</u>

Above total is net of instalments falling due within a year in respect of all the above Loans aggregating of Rs. 2933.41 lakhs (31st March, 2022 Rs. 2363.48 Lakhs) that have been grouped under "Current Borrowing". (Refer note no. 25).

Nature of Security and Terms of Repayment for Long Term Secured Borrowings:

Nature of Security	Terms of Repayment
21.1 Term Loans from HDFC Bank, balance outstanding amounting to Rs 750.00 Lacs (March 31, 2022 Rs. NIL lacs) is secured by second charge on all existing securities given to HDFC Bank.	The Loan is repayable in 48 Monthly Installment starting from Aug 2024. Last installment due in July 2028. Rate of interest 9.25 % p.a. as at year end .
21.2 Term Loans from HDFC Bank, balance outstanding amounting to Rs NIL (March 31, 2022 is Rs. 110.60 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The loan is repayable in 20 quarterly Installment starting from Nov 2017. Last installment due in Nov 2022. Rate of Interest 8.15 % p.a. as at year end (Previous Year 8.15 %)
21.3 Term Loans from HDFC Bank, balance outstanding amounting to Rs. 1381.22 lacs (March 31, 2022 is Rs.1552.70 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	Repayable in 40 Quarterly Installment starting from Oct, 2018. Last installment due in Aug 2028. Rate of Interest 9 % p.a. as at year end (Previous Year 8.15 %.)
21.4 Term Loans from HDFC Bank, balance outstanding amounting to Rs NIL (March 31, 2022 is Rs. 40.68 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The loan is repayable in 19 quarterly Installment starting from Feb 2018. Last installment due in Nov 2022. Rate of Interest 8.20 % p.a. as at year end (Previous Year 8.35 %)
21.5 Term Loans from INDUSIND Bank, balance outstanding amounting to Rs 3650.00 lacs (March 31, 2022 is Rs. 4362.55 lacs) is secured by Equitable Mortgage of 9 acres 81 cents land situated in Tamil Nadu. Personal Guarantee of one Director.	The Loan is repayable in 23 Quarterly Installment starting from Sep 2020. Last installment due in Mar 2026. Rate of interest 11.00 % p.a. as at year end .
21.6 Term Loans from SBI Bank, balance outstanding amounting to Rs 396.67 lacs (March 31, 2022 is Rs. 508.59 lacs) . secured by second charge on all existing securities given to SBI.	The Loan is repayable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 7.95 % p.a. as at year end .

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Nature of Security and Terms of Repayment for Long Term Secured Borrowings:

Nature of Security	Terms of Repayment
21.7 Term Loans from SBM Bank, balance outstanding amounting to Rs 696.22 lacs (March 31, 2022 is Rs. 892.76 lacs) is secured by second charge on all existing securities given to SBM Bank.	The Loan is repayable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 9.25 % p.a. as at year end .
21.8 Term Loans from HDFC Bank, balance outstanding amounting to Rs 1218.75 lacs (March 31, 2022 is Rs. 1421.52 lacs). Secured by second charge on all existing securities given to HDFC Bank.	The Loan is repayable in 48 Monthly Installment starting from Jul 2022. Last installment due in Jun 2026. Rate of interest 8.15 % p.a. as at year end .
21.9 Term Loans from INDUSIND Bank, balance outstanding amounting to Rs 1372.08 lacs (March 31, 2022 is Rs. 1780.00 lacs). secured by second charge on all existing securities given to Indusind Bank.	The Loan is repayable in 48 Monthly Installment starting from May 2022. Last installment due in Apr 2026. Rate of interest 7.75 % p.a. as at year end .
21.10 Term Loans from SBI Bank, balance outstanding amounting to Rs 1300.00 lacs (March 31, 2022 is Rs. 1298.94 lacs) . Secured by second charge on all existing securities given to SBI.	The Loan is repayable in 48 Monthly Installment starting from Feb 2024. Last installment due in Jan 2028. Rate of interest 7.95 % p.a. as at year end .
21.11 Term Loans from Union Bank, balance outstanding amounting to Rs 454.28 lacs (March 31, 2022 is Rs. 584.64 lacs) . Secured by second charge on all existing securities given to Union Bank of India.	The Loan is repayable in 48 Monthly Installment starting from March 2022. Last installment due in Feb 2026. Rate of interest 7.80 % p.a. as at year end .
21.12 Term Loans from Union Bank, balance outstanding amounting to Rs 3339.00 lacs (March 31, 2022 is Rs. 1870.03 lacs) . Secured by second charge on all existing securities given to Union Bank of India.	The Loan is repayable in 48 Monthly Installment starting from Feb 2024. Last installment due in Jan 2028. Rate of interest 7.80 % p.a. as at year end .
21.13 Term Loans from HDFC Bank, balance outstanding amounting to Rs 285.93 lacs (March 31, 2022 is Rs. NIL lacs). is secured by exclusive Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director	The Loan is repayable in 20 Quarterly Installment starting from June 2024. Last installment due in March 2029. Rate of interest 9.30 % p.a. as at year end.
21.14 Term Loans from HDFC Bank, balance outstanding amounting to Rs 183.27 lacs (March 31, 2022 is Rs. NIL lacs). is secured by exclusive Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director	The Loan is repayable in 20 Quarterly Installment starting from June 2024. Last installment due in March 2029. Rate of interest 9.90 % p.a. as at year end.
21.15 Term Loans from HDFC Bank, balance outstanding amounting to Rs 1180.80 lacs (March 31, 2022 is Rs. 1179.56 lacs). is secured by exclusive Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director	The Loan is repayable in 20 Quarterly Installment starting from June 2024. Last installment due in March 2029. Rate of interest 9.90 % p.a. as at year end.
21.16 Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**22. OTHER NON CURRENT FINANCIAL LIABILITIES****Rs. in Lakhs**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Security Deposit with related parties	99.84	91.60
TOTAL	<u>99.84</u>	<u>91.60</u>

23. NON-CURRENT PROVISION

(a) Provision for Employees benefit	16.62	-
TOTAL	<u>16.62</u>	-

24. OTHER NON-CURRENT LIABILITY

(a) Government Grant	48.13	52.57
(b) Advance Lease Rent	52.43	61.45
TOTAL	<u>100.56</u>	<u>114.02</u>

25. DEFERRED TAX LIABILITY/ (ASSETS)**Deferred Tax Liabilities**

a) Related to Fixed Assets	913.23	824.36
b) Related to IND AS Adjustment	-	24.25

Deferred Tax Assets

a) Related to IND AS Adjustment	(117.17)	(13.23)
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TOTAL	<u>796.06</u>	<u>835.38</u>
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26. CURRENT BORROWING**Secured**

- Working Capital Loans From Banks	29,520.15	27,657.37
- Current Maturities of long term debt	2,933.41	2,363.48
TOTAL	<u>32,453.56</u>	<u>30,020.85</u>

26.1 Working Capital facilities are secured against hypothecation of stocks of raw - materials, stock in process, finished goods, Other Current assets, specified immovable property, movable fixed assets, lien on fixed deposits, exports bills and personal guarantee of Director.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**27. TRADE PAYABLE****Rs. in Lakhs**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
(a) Acceptances	2,024.73	1,384.99
(b) Payable to others than Micro and small Enterprises	4,908.97	5,729.22
(c) Payable to Related Parties (refer note no 53)	1,381.99	825.19
(d) Payable to Micro and Small Enterprises	868.23	413.60
TOTAL	<u>9,183.92</u>	<u>8,353.00</u>

Due to Micro and Small Enterprises

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

Particulars	As at	As at
	31st March, 2023	31st March, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	868.23	413.60
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

Rs. in Lakhs**Trade Payable ageing Schedule for the year ended as on 31st March, 2023**

Particulars	Outstanding for following period from Due Date of Payment				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Dues to MSME	868.23			-	868.23
Others	7,501.74	-	-	813.95	8,315.69
Total Trade Payable	8,369.97	-	-	813.95	9,183.92

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Rs. in Lakhs

Trade Payable ageing Schedule for the Year Ended as on 31st March, 2022

Particulars	Outstanding for following period from due date of payment				
	Less than 1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Dues to MSME	413.60				413.60
Others	7,145.33			794.07	7,939.40
Total Trade Payable	7,558.93	-	-	794.07	8,353.00

28. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Interest Accrued	139.42	53.58
(b) Unpaid Dividend	4.91	5.92
(c) Due to Employee	299.16	243.98
(d) Expenses Payable	195.80	187.00
(e) Statutory Dues Payable	221.50	157.58
(f) Capital Creditors	32.48	6.48
(g) Other Payable	3.20	2.01
(h) Derivatives-Foreign Exchange Forward Contract	402.84	-
TOTAL	<u>1,299.31</u>	<u>656.55</u>

29. PROVISIONS

(a) Provision for Employees Benefits	146.10	183.80
TOTAL	<u>146.10</u>	<u>183.80</u>

30. OTHER CURRENT LIABILITIES

(a) Advance from Customer	12.26	130.97
(b) Advance Lease Rent	9.01	8.24
TOTAL	<u>21.27</u>	<u>139.21</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Rs. in Lakhs

31. REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Sales of Products		
(a) Manufactured Goods	66,361.01	50,379.10
(b) Stock-in-trade	19.38	473.21
Other Operating Revenues		
(a) Export Incentives	1,971.71	1,566.26
(b) Foreign Exchange Gain	(1,908.72)	666.83
TOTAL	<u>66,443.38</u>	<u>53,085.40</u>

31.1 Reconciliation of Revenue recognised in Statement of Profit and Loss with contracted price

Revenue as per contracted price	66,655.39	50,906.09
Less: Discount, rebates etc.	275.00	53.78
Total Revenue from Contract with Customers	<u>66,380.39</u>	<u>50,852.31</u>

31.2 Revenue by Location of Customers

India	4,259.42	1,566.28
Outside India	62,120.97	49,286.03
Total Revenue from Contract with Customers	<u>66,380.39</u>	<u>50,852.31</u>

32. OTHER INCOME

- Rental Income	246.96	291.09
- Other Income	99.26	172.47
TOTAL	<u>346.22</u>	<u>463.56</u>

33. COST OF MATERIALS CONSUMED

Opening Stock	33,784.84	31,189.83
Add : Purchases	41,828.30	34,404.50
	75,613.14	65,594.33
Less : Closing Stock	40,823.20	33,784.84
MATERIALS CONSUMED	<u>34,789.94</u>	<u>31,809.49</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Rs. in Lakhs

34. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
(a) Opening Inventories		
- Finished Goods	9,796.26	8,471.90
- Work in Progress	1,099.39	651.46
(b) Closing Inventories		
- Finished Goods	8,971.18	9,796.26
- Work in Progress	735.61	1,099.39
Decrease/(Increase)	<u>1,188.86</u>	<u>(1,772.29)</u>

35. EMPLOYEE BENEFIT EXPENSES

(a) Salary & Allowances	4,153.16	3,385.06
(b) Contribution to Provident & Other fund	289.52	231.51
(c) Staff Welfare Expenses	232.83	202.77
TOTAL	<u>4,675.51</u>	<u>3,819.34</u>

36. FINANCE COST

(a) Interest Expense- Net	2,943.80	1,956.41
(b) Borrowing Cost	281.77	213.37
(c) Interest on Lease Liability	46.74	30.89
(d) Exchange difference regarded as an Adjustment to Borrowing Cost	173.12	72.19
TOTAL	<u>3,445.43</u>	<u>2,272.86</u>

37. DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	814.66	694.68
(b) Amortisation on Intangible Assets	16.23	18.21
(c) Depreciation on Investment Property	10.91	10.91
(d) Amortisation on Right of Use Assets	138.95	111.00
TOTAL	<u>980.75</u>	<u>834.80</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****38. OTHER EXPENSES**

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
<u>(I) Manufacturing Expenses</u>		
(a) Fabrication Charges	11,933.22	9,153.12
(b) Other Manufacturing Expenses	498.11	395.93
(c) Freight & Cartage	57.04	29.91
 <u>(II) Selling & Administrative Expenses</u>		
(a) Legal And Professional Charges	1,254.49	1,261.19
(b) Power & Fuel	279.50	203.69
(c) Bank Charges	808.32	371.56
(d) Repair & Maintainance		
- Building	52.56	44.82
- Plant & Machinery	184.64	193.75
- Others	531.92	533.56
(e) Communication	61.08	58.01
(f) Rates Taxes & Duties	34.10	26.45
(g) Insurance	105.03	173.42
(h) Rent	119.36	83.32
(i) Travelling & Conveyance	960.15	573.17
(j) Freight on Exports	1,327.34	741.92
(k) Commission, Brokerage & Discount	554.91	119.39
(l) Loss/(Profit) on Sale /Discard of Property, Plant & Equipment	(2.34)	7.44
(m) Misc. Expenses	480.19	410.65
(n) Expenditure towards CSR Activities	55.11	103.47
(o) Directors Meeting Fees	8.58	4.81
(p) Packing Expenses	206.26	71.42
TOTAL	<u>19,509.57</u>	<u>14,561.00</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****39. TAX EXPENSES**

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
I) Current Tax		
Current Tax on taxable income for the year	594.51	327.72
II) Deferred Tax		
Relating to origination and reversal of temporary differences	(27.81)	166.12
Income tax expenses reported in statement of profit and loss	<u>566.70</u>	<u>493.84</u>
Effective Income Tax Rate	25.95%	29.24%

- 39.1 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Accounting profit before tax	2,183.96	1,688.74
Statutory income tax rate (%)	25.17	25.17
Computed tax expenses	549.66	425.02
Tax in respect of earlier years	-	11.93
Deduction under section 24 of income tax act	(15.51)	(19.05)
Non-Deductable expenses for tax purpose	32.55	75.94
Income tax charge to statement of profit and loss account	<u>566.70</u>	<u>493.84</u>

- 39.2 Deferred Tax Assets /(Liability)

Opening Balance	(661.66)	(573.01)
Add: Deferred Tax charged/ (credited) to profit & loss account during the year	27.81	(79.95)
Add: Deferred Tax charged/ (credited) to Other Comprehensive Income during the year	11.51	(8.70)
Closing Balance	<u>(622.34)</u>	<u>(661.66)</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Rs. in Lakhs

40. CONTINGENT LIABILITIES

Particulars	As at	As at
	31st March, 2023	31st March, 2022
i) Letter of Credit / Import Bills outstanding -	3,354.06	3,274.58
ii) Bill Discounting	1,466.06	-
iii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries - Ultima S A	6,078.14	8,689.13
iv) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima Italia SRL.	134.33	418.90
v) Karnataka Vat Demand Under dispute	56.60	56.60
vi) Andhra Pradesh GST Demand Under dispute	81.07	71.78
vii) Income tax Demand under dispute	3,485.04	50.75
viii) Tamil Nadu Vat Under dispute	8.14	-

41. CAPITAL AND OTHER COMMITMENTS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
i) Commitments under import of goods & capital goods at concessional rate of custom duty.	6,402.26	14,135.89
ii) Estimated Value of contract remaining to be executed on capital account	7.78	94.24

42. EMPLOYEE BENEFITS PLANS

The details of various employee benefits provided to employees are as under:

a) Defined Contribution Plans

Particulars	For the Year Ended	For the Year Ended
	31st March, 2023	31st March, 2022
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	224.18	174.51
b) Employees State Insurance Corporation	10.70	1.63

b) Defined Benefit Plans

The Defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

i) **The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Principal Assumptions	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Expected return on plan assets	7.20%	7.20%
Discount rate	7.20%	7.20%
Salary increase rate	5.00%	5.00%
Employee turnover	5.00%	5.00%
In service mortality	IALM (2012-14)	IALM (2012-14)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

- Rs. in Lakhs**
- ii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Gratuity	
	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Current Service Cost	56.40	59.40
Net Interest Expenses	(2.22)	(4.57)
Past Service Cost	-	-
Components of defined benefit costs recognised in profit or Loss	<u>54.18</u>	<u>54.83</u>
Re-measurement on the Net Defined Benefit liability:		
Actuarial (gains)/ losses on obligation for the year	28.98	(28.17)
Return On Plan Assets	16.76	(1.51)
Net (Income)/Expenses for the year ended recognized in OCI	<u>45.74</u>	<u>(29.68)</u>

- iii) The amount included in the Balance Sheet arising from the entity's obligation in respect of its Defined Benefit Obligation**

Particulars	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Present Value of Defined Benefit Obligation	479.14	419.03
Fair Vale of Plan Asset	(462.52)	(449.91)
Net Liability arising from Defined Benefit Obligation	<u>16.62</u>	<u>(30.88)</u>

- iv) Movements in the present value of the defined benefit obligation are as follows:**

Particulars	Gratuity	
	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Opening Defined Obligation	419.03	390.62
Interest Cost	27.14	23.98
Current Service Cost	56.40	59.40
Past Service Cost	-	-
Benefits Paid Directly by the Employer	(52.41)	(26.80)
Actuarial (gains)/ Losses	28.98	(28.17)
Closing Defined Benefit Obligation	<u>479.14</u>	<u>419.03</u>

- v) Movements in the Fair Value of the Plan Assets are as follows:**

Opening fair Value of Plan assets *	449.91	419.85
Interest Income	29.37	28.55
Contribution by the Employer	-	-
Return On Plan Assets Excluding Interest Income	(16.76)	1.51
Closing fair Value of Plan assets	<u>462.52</u>	<u>449.91</u>

*** Fund Managed by the approved Insurance Company Kotak Life Insurance**

Investment With Insurer	100.00%	100.00%
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****Sensitivity Analysis**

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2023 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	465.13	494.02
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	494.26	464.78

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2022 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	406.17	432.72
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	432.94	405.85

The sensitivity analysis above has been determined on the basis of actuarial certificate.

43. EARNING PER SHARE

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Profit/(loss) for the year	1,617.26	1,194.90
No. of share at the beginning of the year (A)	1,22,07,129	12,20,369
Equity allotted during the year	-	4760
Weighted average shares (B)	-	4708
Weighted average shares outstanding (nos.) (A+B)	1,22,07,129	1,22,07,077
Effect of diluted number of share		
Add:- Employee stock option plan	18,594	18,594
Add:- Convertible preferential share warrant	-	-
Weighted average number of equity share for diluted earning per share	1,22,25,723	1,22,25,671
Basic earning per share	13.25	9.79
Diluted earning per share	13.23	9.78

44. Export Promotion Capital Goods (EPCG)

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****45. Employee Stock Option Plan**

The Company instituted an Employees Stock Option Plan ('ESOP 2013') pursuant to the Nomination and Remuneration Committee (Earlier Compensation Committee) and Shareholders' resolution dated September 23, 2013. As per ESOP 2013, the Company had granted the below stock options:

On 28th January, 2014 – 50,000 stock options.

On 16th September, 2015 – 1,55,800 stock options

On 31st December, 2015 – 8,850 stock options

On 3rd February, 2018 – 30,000 stock options

On 5th April, 2018 – 30,000 stock options

These options comprises equal number of equity shares to be allotted in one or more tranches to the eligible employees of the Company and its subsidiaries.

The details of the ESOPs granted so far are provided below:

Grant Date	April 5, 2018			
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	April 05, 2019	April 05, 2020	April 05, 2021	April 05, 2022
%age of vesting	16.67	16.67	16.66	50.00
Exercise Price (in Rs.)	330.00	330.00	330.00	330.00

Grant Date	February 03, 2018			
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	February 03, 2019	February 03, 2020	February 03, 2021	February 03, 2022
%age of vesting	10.00	20.00	30.00	40.00
Exercise Price (in Rs.)	450.00	450.00	450.00	450.00

Grant Date	December 31, 2015			
Vesting tranche	Vesting I	Vesting II	Vesting III	
Vesting date	December 31, 2016	December 31, 2017	December 31, 2018	
%age of vesting	33.00	33.00	34.00	
Exercise Price (in Rs.)	50.00	50.00	50.00	

Grant Date	September 16, 2015			
Vesting tranche	Vesting I	Vesting II	Vesting III	
Vesting date	September 16, 2016	September 16, 2017	September 16, 2018	
%age of vesting	33.00	33.00	34.00	
Exercise Price (in Rs.)	50.00	50.00	50.00	

Grant Date	January 28, 2014			
Vesting tranche	Vesting I	Vesting II	Vesting III	
Vesting date	1st February, 2015	1st March, 2015		
%age of vesting	50	50		
Exercise Price (in Rs.)	156	156		

The Company uses the fair value for determination of the employee stock compensation expense.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs**

The activity in the Employees Stock Option Plan during the year ended 31st March, 2022 is as under:

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Number of options outstanding at the beginning of the period	20,751	25,511
Number of options granted during the year	-	-
Number of options forfeited / lapsed during the year	-	-
Number of options vested during the year	-	-
Number of options exercised during the year	-	4,760
Number of shares arising as a result of exercise of options	-	4,760
Money realized by exercise of options (INR), if scheme is implemented directly by the company	-	Rs. 2,38,000
Loan repaid by the Trust during the year from exercise price received	-	NA
Number of options outstanding at the end of the year	20,751	20,751
Number of options exercisable at the end of the year	20,751	20,751

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Date of Grant	September 16, 2015	December 31, 2015	February 03, 2018	April 5, 2018
Weighted average share price	Rs. 468.70	Rs 521.15	Rs. 463.55	Rs. 216.15
Exercise price	Rs. 50.00	Rs. 50.00	Rs. 450.00	Rs. 330.00
Expected volatility	29.24%	33.10%	25.71%	36.78%
Option life (comprising of weighted average of vesting period and exercise period)	7 years	7 years	8 years	5.50 years
Expected dividends	0.21%	0.19%	0.26%	0.29%
Risk free rate of return	8.17%	7.96%	7.82%	7.22%

46. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Amount required to be spent by the company during the year	34.72	40.52
(b) Amount of expenditure incurred	55.11	103.47
(c) Shortfall at the end of the year	-	14.62
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	N.A	Pertain to ongoing projects
(f) Nature of CSR Activities	Rural Development, education, health & sanitation	Rural Development, education, health & sanitation
(g) Details of related party transaction	NIL	NIL
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision.	N.A	N.A

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

47. Segment Reporting Disclosure

The company primarily operates in the Fashion apparels and accessories segment. The Fashion apparels and accessories segment includes Leather products, Textiles products and intermediaries .

As defined in Ind AS 108, the chief operating decision maker (CODM) evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

48. PAYMENT TO AUDITOR (INCLUDED IN LEGAL AND PROFESSIONAL CHARGES)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Audit Fees	25.00	14.00
Limited Review	6.50	4.50
Reimbursement of Expenses	1.50	1.50
Tax Audit Report	4.00	-
Certification	0.75	0.36

49. Fair Value Measurement

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.

The following Methods and Assumptions were used to Estimate the Fair Values:

Trade receivables, cash and cash equivalents, other bank balances, short term 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.

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The Company uses the following hierarchy for determining and disclosing the fair value of Financial instruments by Valuation Techniques.

The following is the basis for categorising the financial instruments measured at fair value into Level 1 to Level 3 :

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using 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: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. in Lakhs			
	As at 31st March, 2023			
	Carrying Amount	Level of input used in		
	Level 1	Level 2	Level 3	
Financial Assets				
At Amortised Cost				
Trade Receivable	8,452.38	-	-	8,452.38
Cash & cash Equivalents	435.78	-	-	435.78
Other Bank Balance	2,385.02	-	-	2,385.02
Loans	1,117.68	-	-	1,117.68
Other Financial Assets	4,098.14	-	-	4,098.14
At FVTPL				
Investments	0.01	0.01	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings	45,712.11	-	-	45,712.11
Trade Payables	9,183.92	-	-	9,183.92
Other Financial Liabilities	996.31	-	-	996.31
At FVTPL				
Other Financial Liabilities	402.84	-	402.84	-
<hr/>				
Particulars	As at 31st March, 2022			
	Carrying Amount	Level of input used in		
	Level 1	Level 2	Level 3	
Financial Assets				
At Amortised Cost				
Trade Receivable	8,387.63	-	-	8,387.63
Cash & Cash Equivalents	791.32	-	-	791.32
Other Bank Balance	4,244.50	-	-	4,244.50
Loans	1,082.06	-	-	1,082.06
Other Financial Assets	3,064.26	-	-	3,064.26
At FVTPL				
Investments	0.01	0.01	-	-
Other Financial Assets	96.35	-	96.35	-
Financial Liabilities				
At Amortised Cost				
Borrowings	43,242.40	-	-	43,242.40
Trade Payables	8,353.00	-	-	8,353.00
Other Financial Liabilities	748.15	-	-	748.15

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

50. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

Particulars	Rs. in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 21, & 26)	45,712.11	43,242.40
Less: Cash and cash equivalents (Note 14)	435.78	791.32
Net Debt	45,276.33	42,451.08
Equity Share Capital	1,220.71	1,220.71
Other Equity	30,721.95	29,138.92
Total Capital	31,942.66	30,359.63
Capital and Net Debt	77,218.99	72,810.71
Gearing Ratio	58.63%	58.30%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2023 and 31st March, 2022.

51. Financial Risk Management

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk).

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in below table.

Particulars	Rs. in Lakhs	
	As at 31st March, 2023	As at 31st March, 2022
Not Due	4,869.44	4,929.16
Less than 6 month	2,691.56	2,702.22
More than 6 month	891.38	756.25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Liquidity Risk

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

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

Maturity Profile of Financial Liabilities

Rs. in Lakhs

Particulars	As at 31st March, 2023			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	32,453.56	11,474.37	1,784.18	45,712.11
Trade Payable	9,183.92	-	-	9,183.92
Lease Liabilities	95.16	356.27	38.42	489.85
Other Financial Liabilities	1,303.99			1,303.99

Particulars	As at 31st March, 2022			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of Long Term borrowing)	30,020.85	12,357.49	864.06	43,242.40
Trade Payable	8,353.00	-	-	8,353.00
Lease Liabilities	84.11	313.79	107.75	505.65
Other Financial Liabilities	664.04			664.04

Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may, result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Borrowings	45,712.11	43,242.40
% of Borrowings out of above bearing variable rate of interest	64.58%	63.96%

Interest Rate Sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax

100 bp increase would decrease the profit before tax by	358.44	291.69
100 bp decrease would Increase the profit before tax by	358.44	291.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Rs. in Lakhs

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	339.87	84.87	99.91	410.16
EURO	18.75	6.07	21.89	64.04
GBP	0.23	36.30	37.89	10.53
HKD	0.20	0.15	0.15	0.20

Foreign Currency Sensitivity

The following table details the Company's sensitivity to a 5% change in rupee value against the relevant foreign currencies, which is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end.

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	1,398.23	(1,398.23)	365.24	(365.24)
EURO	83.95	(83.95)	93.88	(93.88)
GBP	1.17	(1.17)	190.91	(190.91)
HKD	0.11	(0.11)	0.07	(0.07)
Foreign Currency Monetary Liabilities				
USD	(348.86)	348.86	(1,499.24)	1,499.24
EURO	(27.15)	27.15	(274.70)	274.70
GBP	(184.49)	184.49	(53.07)	53.07
HKD	(0.08)	0.08	(0.09)	0.09
Impact on Profit or Loss as at the end of reporting year	922.88	(922.88)	(1,177.00)	1,177.00

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Disclosure Regarding Derivative Instruments.

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The following are outstanding forward contracts.

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Currency	Foreign Currency Lacs	Currency	Foreign Currency Lacs
Forwards Contracts	USD	117.35	USD	71.50
	EURO	87.74	EURO	15.00
	GBP	5.00	GBP	18.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****52. Ratios**

Ratio	Numerator	Denominator	2022-23	2021-22	Variance	Reason
(a) Current Ratio,	Current Assets	Current Liabilities	1.54	1.64	-6.41%	
(b) Debt-Equity Ratio,	Total Debt	Shareholders Equity	1.45	1.44	0.38%	
(c) Debt Service Coverage Ratio,	Earning Available for debt services	Debt Services Interest & Lease payment+Principal Repayments of long term borrowing	1.01	0.87	15.47%	
(d) Return on Equity Ratio,	Net Profit for the year	Average Shareholders Equity	5.19%	4.02%	0.29%	
(e) Inventory turnover ratio,	Cost of Goods Sold	Average Inventory	0.76	0.71	5.79%	
(f) Trade Receivables turnover ratio,	Net Credit Sales	Average Trade Receivables	7.88	6.29	25.28%*	
(g) Trade payables turnover ratio,	Net Credit Purchase	Average Trade Payables	6.20	6.58	-5.79%	
(h) Net capital turnover ratio,	Net Sales	(Current assets-current liabilities)	2.84	2.10	35.46%*	
(i) Net profit ratio,	Net Profit After Tax	Total Sales	2.43%	2.25%	0.08%	
(j) Return on Capital employed,	EBIT	(Tangible Net Worth + Total Debt + Deferred Tax Liability)	7.18%	5.33%	0.35%	

* Due to increase sales in Current Year as compared to last year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

53. RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Name of Related Parties & Nature of Relationship:	Country	Ownership Interest
i) Subsidiary Companies :		
Bhartiya Global Marketing Ltd.	India	100%
J&J Leather Enterprises Ltd.	India	100%
Bhartiya International SEZ Ltd	India	88.95%
Bhartiya Fashion Retail Ltd.	India	100%
Bhartiya Urban Infrastructure Ltd.	India	100%
World Fashion Trade Ltd	Mauritius	100%
Ultima S.A.	Switzerland	100%
Ultima Italia SRL	Italy	100%
Design Industry Ltd.	Hongkong	100%
Design Industry China Ltd.	China	100%
ii) Associate parties :		
Bhartiya Urban Pvt. Ltd.	India	37%
Tada Mega Leather Cluster Pvt Ltd.	India	50%
iii) Executive Directors:		
Manoj Khattar		Whole Time Director
iv) Non-Executive Directors		
Snehdeep Aggarwal		Director
Ramesh Bhatia		Director (resigned from 23.09.2022)
C.L. Handa		Independent Director (completed tenure as Director on 29.09.2022)
Sandeep Seth		Independent Director (completed tenure as Director on 29.09.2022)
Shashank		Independent Director (completed tenure as Director on 29.09.2022)
A. Sahasranaman		Independent Director (completed tenure as Director on 29.09.2022)
S. M. Swathi		Independent Director
Robert Burton Moore Jr		Director
Navkiran Singh Ghei		Independent Director (appointed from 11.08.2022)
Vivek Kapur		Independent Director (appointed from 11.08.2022)
Deepak Bhojwani		Independent Director (appointed from 11.08.2022)
v) Enterprises owned or significantly influenced by Executive Directors or their relatives :		
Itopia Management Services (India) Pvt. Ltd.		
Parushni Interior Designs Private Limited		
vi) Trust		
Bhartiya International Limited Employees Group Gratuity Scheme		Post Employment Benefit Plan

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. in Lakhs	
	2022-23	2021-22
b) Transactions during the year with related parties :		
1. Sales		
Ultima S.A.	28.99	291.45
Design Industry Ltd.	345.00	478.49
J&J Leather Enterprises Ltd.	0.09	26.09
Ultima Italia SRL	-	88.54
Bhartiya Urban Pvt. Ltd.	2.42	0.53
2. Other Income		
Ultima S.A.	82.12	166.96
Parushni Interior Designs Pvt. Ltd.	0.43	0.36
3. Purchase / Job Work		
Ultima Italia SRL	3.14	2.59
J & J Leather Enterprises Ltd	1,352.39	1,492.10
Design Industry China Ltd.	121.75	27.18
4. Commission Expenses		
Ultima S.A.	500.42	-
5. Salaries		
Manoj Khattar	81.35	93.79
6. Lease Rent / Rent Paid		
Bhartiya Global Marketing Ltd.	1.00	1.00
J & J Leather Enterprises Ltd	24.00	24.00
7. Lease Rent Received		
Bhartiya Urban Pvt. Ltd.	187.48	234.35
Parushni Interior Designs Pvt Ltd	18.00	18.00
8. Service Charges Paid		
Bhartiya International Sez Ltd.	47.55	45.86
Bhartiya Fashion Retail Ltd.	6.00	10.50
9. Other Expenses		
Itopia Management Services (India) Pvt. Ltd.	0.23	0.13

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. in Lakhs	
	2022-23	2021-22
10. Legal and Professional Fees		
Itopia Management Services (India) Pvt. Ltd	3.50	4.50
Robert Burton Moore Jr.	102.19	80.63
Snehdeep Aggarwal	9.00	9.00
J & J Leather Enterprises Ltd	240.00	120.00
10. Purchase of Fixed Assets		
Parushni Interior Designs Pvt. Ltd.	1.15	-
11. Sitting Fee		
Ramesh Bhatia	0.11	0.44
C.L. Handa	0.56	1.06
Sandeep Seth	0.56	1.22
Shashank	1.11	1.22
A. Sahasranaman	0.56	0.33
S.M. Swathi	2.14	0.53
Navkiran Singh Ghei	1.50	-
Deepak Bhojwani	0.83	-
Vivek Kapur	1.22	-
c) Balances Outstanding at the year end:		
1. Advance Paid		
Ultima S.A.	11.50	11.50
2. Advance with suppliers		
J & J Leather Enterprises Ltd.	987.91	970.91
3. Trade Receivable		
Designs Industry Ltd.	304.59	425.75
Ultima S.A.	241.11	255.65
Ultima Italia SRL	-	21.86
Bhartiya Urban Pvt. Ltd.	2.79	-
Bhartiya International SEZ Ltd.	59.27	45.69
4. Security Deposit (Paid)		
Bhartiya Global Marketing Ltd.	5.00	5.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. in Lakhs	
	2022-23	2021-22
5. Trade Payables		
Ultima Italia SRL	855.57	798.22
Design Industry China Ltd	25.85	26.97
Parushni Interior Designs Pvt. Ltd	0.15	-
Ultima S.A.	500.42	-
6. Expenses/Others Payables		
Itopia Management Services(India) Pvt. Ltd.	-	0.62
Snehdeep Aggarwal	0.68	0.68
7. Security Deposit (Received)		
Bhartiya Urban Pvt. Ltd.	159.79	159.79
Parushni Interior Designs Pvt. Ltd.	1.50	1.50
8. Standby Letter of Credit (SBLC) Issued by Company Bankers		
Ultima S.A.	6,078.14	8,689.13
9. Corporate Guarantee given by Company		
World Fashion Trade Ltd., Ultima Italia SRL and Ultima S.A.	134.33	418.90

As per our report of even date attached
For SUSHIL PODDAR & CO.
 Chartered Accountants
 Firm Reg. No. 014969N

For and on behalf of the Board

S.K. Poddar
 Partner
 Mem. No. 094479

Yogesh Kumar Gautam
 Company Secretary

Raj Kumar Chawla
 Chief Financial Officer

Manoj Khattar
 Whole-time Director
 DIN: 00694981

Vivek Kapur
 Director
 DIN: 09678378

Gurugram, 30th May, 2023

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Pursuant to Proviso to Sub-Section 3 of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of Financial Statement of Subsidiaries/Associates Companies/Joint Ventures

PART-A: SUBSIDIARIES

Name of Subsidiary	Financial Year Ended	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share capital & Reserves & Surplus)	Investments	Turnover	Profit / Loss before Taxation	Provision for Taxation	Profit / Loss after Taxation	% of Share holding
Bhartiya Global Marketing Ltd.	31st March, 2023	INR (lacs)	499.90	(103.87)	403.11	7.08	322.68	-	(0.25)	-	(0.25)	100.00
J&J Leather Enterprises Ltd.	31st March, 2023	INR (lacs)	207.50	275.84	2022.63	1539.28	35.00	1684.41	18.50	3.14	15.35	100.00
Bhartiya International SEZ Ltd.	31st March, 2023	INR (lacs)	1356.92	(11.38)	1319.89	76.72	-	47.55	(31.73)	-	(31.73)	88.95
Bhartiya Urban Infrastructure Ltd.	31st March, 2023	INR (lacs)	5.00	(2.15)	2.89	0.04	-	-	(0.31)	-	(0.31)	100.00
Bhartiya Fashion Retail Ltd.	31st March, 2023	INR (lacs)	50.00	(40.70)	9.93	0.64	-	6.00	1.94	0.04	1.90	100.00
Ultima S. A	31st March, 2023	CHF	1000000.00	4335055.83	12411192.48	7076136.65	2480930.00	6617167.64	(1756108.65)	72.45	(1763353.65)	100.00
Design Industry Ltd.	31st March, 2023	HK\$	100000.00	27349662.00	31999499.00	4549837.00	-	60347573.00	12182278.00	-	12182278.00	100.00
Design Industry China Ltd.,	31st March, 2023	RMB/Yuan	200000.00	371417.47	616565.69	45148.22	-	4520901.50	317311.74	7837.87	309473.87	100.00
Ultima Italia SRL	31st March, 2023	EURO	2000000.00	20509.00	2786239.00	765730.00	-	3347938.00	18705.00	17468.00	607.00	100.00
World Fashion Trade Ltd.	31st March, 2023	HK\$	5480570.00	(5636793.00)	58636.00	214859.00	-	-	(125995.00)	-	(125995.00)	100.00

	CHF	HK\$	Euro	RMB Yuan
Exchange rate for Balance Sheet items (except shares capital figures which are stated at invested value)	89.91	10.62	89.50	11.97
Exchange rate for Profit and Loss	84.15	10.24	83.44	11.73

PART-B: ASSOCIATES AND JOINT VENTURES

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(Rs. in Lakhs)

Name Of Associates and Joint Ventures	Last Audited Balance Sheet Date	Share of Associate/Joint Venture held by the company as on year end		Description of Significant Influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance sheet	Profit/Loss for the Year	
		No.	Amount of Investment in Associate/Joint venture				Extent of Holding	Considered in Consolidation
Bhartiya Urban Private Limited	31st March, 2023	34393260	3999.60	36.77%	Voting Power	1,091.83	4,815.92	-
Tada Mega Leather Clustrer Pvt. Ltd.	31st March, 2023	5000	0.05	50.00%	Voting Power	(1.75)	-	(0.03)

BOARD'S REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2023.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2023 are as follows:

(Rs. in Lakhs)

PARTICULARS	2022-23	2021-22
Total Income	9.82	7.04
Total Expenses	10.07	7.64
Profit/(Loss) for the year after Tax	(0.25)	(0.57)

PERFORMANCE REVIEW

During the year under review Company incurred of Rs. 0.25 lacs.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2023.

RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

SHARE CAPITAL

During the year under review, no changes had taken place in the Share Capital of the Company.

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company has only one subsidiary - J&J Leather Enterprises Limited. The statement containing the salient feature of the financial statement of Company's subsidiary as required under first proviso to Sub section (3) of Section 129 of the Companies Act, 2013 is annexed after the Company's financial statement.

ANNUAL RETURN

Currently Company does not have a website.

DIRECTORS

Mr. Ramesh Bhatia, Mr. Manoj Khattar, Mr. Ashok Kumar Gadhok and Ms. Jaspal Sethi continue to be the Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Ramesh Bhatia (DIN: 00052320), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022-23, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2022-23 is provided below:

Date of Board Meetings	Name of Directors Presents			
	Mr. Ramesh Bhatia	Mr. Manoj Khattar	Ms. Jaspal Sethi	Mr. Ashok Kumar Gadhok
28.05.2022	Present	Present	Present	Present
10.08.2022	Absent	Present	Absent	Present
10.11.2022	Absent	Present	Absent	Present
10.02.2023	Present	Present	Present	Present

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the notes to Financial Statements.

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties is provided in form AOC-2.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2023 and of the losses of the company for the year ended on that date;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis; and
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS

M/s. Sushil Poddar & Co., Chartered Accountants (Firm Registration No. 014969N) had been appointed as the Statutory Auditors of the Company to hold office from 26th Annual General Meeting upto conclusion of 31st Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7th May, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 27th Annual General Meeting.

AUDITORS REPORT

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

COST AUDIT AND MAINTENANCE OF COST RECORD

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2022-23.

Hence maintenance of cost records as specified by the Central Government, under sub-section 1 of section 148 of the Companies Act, 2013 is not required.

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your Company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

The Company has adequate risk management process to identify and notify the board of directors about the risks or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the

gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities.

HUMAN RESOURCES

Your company's philosophy has always been based on the progressive and continuous improvement, whether in business or any other function. We have given utmost importance to our human resources and believes in upgrading the skill, knowledge in the respective areas which has helped your company to foster a positive culture and transparency in the system.

Your company firmly believes that people are its most valued asset, and the focus is to retain and sustain a highly qualified and diverse work force.

PARTICULARS OF EMPLOYEES

During the financial year 2022-23, the Company had two Employees.

None of the Employees were in receipt remuneration of Rs. 1.02 Crore per annum or more and none of the employees employed for the part of the financial year 2022-23 were in receipt of Rs. 8.5 lacs per month or more.

None of the employees is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The same is not applicable to your company.

Technology Absorption

The same is not applicable to your company.

Foreign Exchange Earnings & Outgo

There is no Foreign Exchange Earnings and Outgo.

ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances, environmental regulations and preservation of natural resources.

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. Since the Company has only two employees, therefore there is no requirement of formulating Internal Complaint Committee and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

PUBLIC DEPOSIT

The Company has neither invited/ nor accepted any deposits during the year within the meaning of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposit) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes which have occurred in between the financial year ended on 31st March, 2023 and date of the report of the company which affects the financial position of the company.

ACKNOWLEDGEMENTS:

Your Directors are highly grateful for all the help, guidance and support received from the valued customers, suppliers, vendors, other business associates, various government and local authorities as well as the various Banks.

The Board places on record its appreciation for the devoted and dedicated services rendered by all the employees in taking the Company forward.

For and on behalf of the Board

Manoj Khattar
Director
DIN: 00694981

A. K. Gadhok
Director
DIN: 01254410

New Delhi, 10th August, 2023

FORM NO. AOC -2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's Length Basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.**(Amount in INR)**

S. N.	Name of the Related Party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts / arrangements / transactions including the value, if any	Amount paid as advances, if any
1	Bhartiya International Limited	Lease Rent Received	Ongoing basis	Rs. 1,00,000/-	-
2	J&J Leather Enterprises Limited	Consultancy Received	Ongoing basis	Rs. 6,00,000/-	-

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Bhartiya Global Marketing Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bhartiya Global Marketing Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow 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 financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financials Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statement and our auditor's report there on.

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

In connection with our audit of the financial statement our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our 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.

Board of Directors and Management's Responsibility for the Financial Statements

The Company's Board of Directors and the Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind As") specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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 financial statement, 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 statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement 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 the internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, based on our audit 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 purposes 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, the Statement of Profit and Loss (including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided for managerial remuneration.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position;
 - 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.
 - iv)
 - a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
 - v) The company has not declared or paid dividend during the year.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 23094479BGUZCT1502

New Delhi, 29th May, 2023

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2023, we report that:

- I
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company does not have any Intangible Assets and hence reporting under clause 3(i)(a)(B) of the Order is not applicable.
 - (b) According to the information and explanations given to us and the records of the company examined by us, the property, plant and equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No discrepancies were noticed on such physical verification.
 - (c) Based upon the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties are held in the name of the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- II
 - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- III According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- IV According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- V The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- VI According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the business activities carried out by the company. Accordingly, clause 3(vi) of the Order is not applicable.
- VII
 - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31st, 2023 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.

- viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- IX (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any joint venture or associates (as defined in the Act) during the year ended 31 March, 2023.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- X (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- XI (a) No fraud by the Company or on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle blower complaints received by the company during the year.
- XII The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- XIII In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards
- XIV Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.
- Xv In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- Xvi (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- Xvii The Company has incurred cash loss of Rs. 0.25 lakhs during the financial year covered by our audit and Rs. 0.57 lakhs during the immediately preceding financial year.
- XVIII There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- XIX On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions,

nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- XX The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 23094479BGUZCT1502

New Delhi, 29th May, 2023

ANNEXURE - B TO THE AUDITORS' REPORT

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 Bhartiya Global Marketing Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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 SUSHIL PODDAR & CO.
Chartered Accountants
Firm's Registration No. 014969N

S.K. PODDAR
Partner
Mem. No. 094479
UDIN: 23094479BGUZCT1502
New Delhi, 29th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. in Lakhs

PARTICULARS	Note No.	As at	
		31st March, 2023	31st March, 2022
I Assets			
1 Non - Current Assets			
(a) Property, Plant and Equipment	2	1.31	1.31
(b) Investment property	3	4.93	4.93
(c) Investments in subsidiaries, associate and Joint Venture	4	322.68	322.68
(d) Financial Assets			
(i) Other Financial Assets	5	0.39	0.39
(e) Deferred Tax Assets (net)		21.22	21.22
2 Current Assets			
(a) Inventories	6	-	1.52
(b) Financial Assets			
(i) Cash and Cash Equivalents	7	37.28	36.21
(ii) Loans	8	0.26	-
(c) Current Tax Assets (Net)		0.69	1.05
(d) Other Current Assets	9	14.35	14.35
Total Assets		403.11	403.66
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	10	499.90	499.90
(b) Other Equity	11	(103.87)	(103.62)
2 Liabilities			
Non - Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	12	0.24	0.22
(c) Other non-current Liability	13	4.73	4.76
3 Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	14	1.68	1.80
(b) Provisions	15	0.41	0.58
(c) Other Current Liabilities	16	0.02	0.02
Total of Equity and Liabilities		403.11	403.66
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

New Delhi, 29th May, 2023

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

Particulars	Note No.	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Income			
Revenue from Operations	17	1.71	-
Other Income	18	8.11	7.04
Total Income		<u>9.82</u>	<u>7.04</u>
Expenses			
Change in Inventories of Finished Goods	19	1.52	-
Employee Benefits Expense	20	6.53	6.17
Other Expenses	21	2.02	1.47
Total Expenses		<u>10.07</u>	<u>7.64</u>
Profit/ (Loss) before Tax		(0.25)	(0.60)
Tax Expenses			
i Current Tax		-	-
ii Deferred Tax		-	(0.03)
Profit / (Loss) for the year		<u>(0.25)</u>	<u>(0.57)</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Remeasurements of the defined benefit plans		-	-
Income tax relating to above items		-	-
Total Comprehensive Income for the Year		<u>(0.25)</u>	<u>(0.57)</u>
Earnings per Equity Share of Face Value			
Basic (in Rupees)		(0.01)	(0.01)
Diluted (in Rupees)		(0.01)	(0.01)
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

New Delhi, 29th May, 2023

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

		Rs. in Lakhs	
Particulars	Note No.	Equity Capital (Rs)	
a) Equity Share Capital	10		
Balance as at 31st March, 2021		499.90	
Change in equity share capital during the year 2021-22		-	
Balance as at 31st March, 2022		499.90	
Change in equity share capital during the year 2022-23		-	
Balance as at 31st March, 2023		499.90	
<hr/>			
Particulars	Note No.	Retained Earning (Rs)	
b) Other Equity	11		
Balance as at 31st March, 2021		(103.05)	
Profit/(Loss) for the year 2021-22		(0.57)	
Other Comprehensive Income for the year		-	
Balance as at 31st March, 2022		(103.62)	
Profit/(Loss) for the Year 2022-23		(0.25)	
Other Comprehensive Income for the year		-	
Balance as at 31st March, 2023		(103.87)	

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

New Delhi, 29th May, 2023

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Lakhs

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Exception Items	(0.25)	(0.60)
Adjusted for:		
Rental income	(1.00)	(1.02)
Loss/(Profit) on sale of Property, Plant & Equipment (net)	-	-
Operating Profit before Working Capital Changes	(1.25)	(1.62)
Movements in working capital:		
Increase/ (decrease) in other financial liabilities	(0.12)	0.16
Increase/ (decrease) in provisions	(0.17)	(0.26)
Decrease/ (increase) in inventories	1.52	-
Decrease/ (increase) in current loans	(0.26)	-
Cash generated from operations	(0.28)	(1.72)
Income tax paid (Net)	(0.35)	0.60
Net cash (used in)/ generated from operating activities - (A)	<u>0.07</u>	<u>(2.32)</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Rental income	1.00	1.02
Proceeding from sale of property plant & equipment		
Net cash from/ (used in) investing activities - (B)	<u>1.00</u>	<u>1.02</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from/ (used in) financing activities - (C)	-	-
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	1.07	(1.30)
Cash and Cash Equivalents - Opening Balance	36.21	37.51
Cash and Cash Equivalents - Closing Balance	<u>37.28</u>	<u>36.21</u>

Note: The above statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of cash Flows.

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

New Delhi, 29th May, 2023

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

1.1 CORPORATE INFORMATION

Bhartiya Global Marketing Limited ('the Company'), promoted by Bhartiya international limited is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company has its registered office at New Delhi .The Company is in the business of trading of leather & textile products.

1.2 BASIS OF PREPARATION

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

Freehold land is carried at cost. All other items of property, plant and equipment and Capital work in progress (including Pre-operative expenses) are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Depreciation is provided on straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Companies Act 2013.

b) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and applicable borrowing costs less depreciation and impairment if any.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of building generally in accordance with that provided in the Schedule II of the Companies Act.

c) Investment In Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists permanently, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

d) Inventories

Raw materials and consumables have been valued at lower of cost or net realisable value after providing for obsolescence. Cost comprise of cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis. Cost of finished goods and work-in- progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

e) Cash & Cash Equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

f) Revenue Recognition

Revenue from contract with customers is recognised when the company satisfies performance obligation by transferring promised goods and services to the customers. Performance obligations are satisfied at the point of time when the customer obtain control of asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discount, returns and taxes. transaction price is recognised based on the price specified in the contract, net of discount.

NOTES (CONTD.)**Revenue from Services**

Revenue from Services is recognised in accounting period in which services are rendered.

g) Interest Income

Interest income on fixed deposits with banks is recognized/accounted on accrual basis.

Rental Income is recognised on accrual basis.

h) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in other comprehensive income.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

i) Employee Benefits**Defined Contribution Plan**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Defined Benefit Plan

Gratuity is a defined benefit obligation. The Company accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary.

j) Foreign Currency Translation

The Company's financial statements are presented in Indian currency, which is also the company's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded in functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES (CONTD.)**k) Provision and Contingent Liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with Banks, other financial assets and investments.

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities**Initial Recognition and Measurement**

These include trade and other payables, loans and borrowings including Bank OD.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

NOTES (CONTD.)

2. PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs

Particulars	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount					
Cost as at 31st March, 2021	0.81	0.14	0.25	0.21	1.41
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Cost as at 31st March, 2022	0.81	0.14	0.25	0.21	1.41
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Cost as at 31st March, 2023	0.81	0.14	0.25	0.21	1.41
Accumulated Depreciation					
Balance as at 1st March, 2021	-	0.01	0.09	-	0.10
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2022	-	0.01	0.09	-	0.10
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2023	-	0.01	0.09	-	0.10
Net Carrying Amount					
Balance as at 31st March, 2022	0.81	0.13	0.16	0.21	1.31
Balance as at 31st March, 2023	0.81	0.13	0.16	0.21	1.31

NOTES (CONTD.)

3. INVESTMENT PROPERTY	Rs. in Lakhs
Particulars	Land
Gross Carrying Amount	
Cost as at 31st March, 2021	4.93
Addition	-
Disposal	-
Cost as at 31st March, 2022	4.93
Addition	-
Disposal	-
Cost as at 31st March, 2023	4.93
Accumulated Depreciation	
Balance as at 1st March, 2021	-
Addition	-
Disposal	-
Balance as at 31st March, 2022	-
Addition	-
Disposal	-
Balance as at 31st March, 2023	-
Net Carrying Amount	
Balance as at 31st March, 2022	4.93
Balance as at 31st March, 2023	4.93
Fair Value	
As at 31st March, 2022	738.15
As at 31st March, 2023	738.15

3.1

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Rental income derived from investment properties	1.00	1.00
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Income arising from Investment Properties before Depreciation	1.00	1.00
Depreciation	-	-
Income from Investment Properties (Net)	1.00	1.00

3.2 Estimation of Fair Value

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex and trend of fair market rent in village/city area.

This valuation is based on valuations performed by an accredited independent valuer on Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

NOTES (CONTD.)

4. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE	Rs. in Lakhs	
Particulars	As on 31st March, 2023	As on 31st March, 2022
A INVESTMENTS IN SUBSIDIARIES		
i. Equity Instrument at Cost (Unquoted)		
1. Investment in J & J Leather Enterprises Ltd, 2,07,500 Equity Shares (Previous Year 2,07,500 shares) of Rs.100/- each, fully paid.	322.68	322.68
	<u>322.68</u>	<u>322.68</u>
Aggregate amount of unquoted Investments before impairment	322.68	322.68
Less: Provision for diminution in value of investment	-	-
Aggregate amount of unquoted Investments after impairment	322.68	322.68
5. NON-CURRENT FINANCIAL ASSETS		
(Unsecured & Considered Good)		
(a) Security and Other Deposits	0.39	0.39
TOTAL	<u>0.39</u>	<u>0.39</u>
6. INVENTORIES		
(a) Finished Goods	-	1.52
TOTAL	-	<u>1.52</u>
7. CASH AND CASH EQUIVALENTS		
a) Balances with Banks		
In current accounts	14.35	13.94
In term deposit	20.97	20.02
b) Cash on Hand	1.96	2.25
TOTAL	<u>37.28</u>	<u>36.21</u>
8. CURRENT LOAN		
(Unsecured & Considered Good)		
(a) Loan to Employee	0.26	-
TOTAL	<u>0.26</u>	-
9. OTHER CURRENT ASSETS		
a) Mat Credit Entitlement	14.35	14.35
TOTAL	<u>14.35</u>	<u>14.35</u>

NOTES (CONTD.)**10. SHARE CAPITAL****Rs. in Lakhs**

Particulars	As on 31st March, 2023	As on 31st March, 2022
Authorised Share Capital		
a) 50,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10/- each.	500.00	500.00
	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed & Paid up :		
a) 49,99,020 (Previous Year 49,99,020) Equity Shares of Rs.10/- each, Fully Paid Up.	499.90	499.90
TOTAL	<u>499.90</u>	<u>499.90</u>

10.1 Reconciliation of the number of shares outstanding is set out below:

Rs. in Lakhs

Particulars	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 Amount (Rs.)	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 Amount (Rs.)
Shares outstanding at the beginning of the year	49,99,020	499.90	49,99,020	499.90
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	49,99,020	499.90	49,99,020	499.90

10.2 The details of Shareholders holding more than 5% shares:

Name of the share holders	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 % of Holding	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 % of Holding
(a) Bhartiya International Ltd.	49,99,020	100	49,99,020	100

10.3 Shares held by holding company and subsidiaries of holding company in aggregate:

Particulars	As at 31st March, 2023 No. of Shares	As at 31st March, 2022 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	49,99,020	49,99,020

10.4 The Company has only one class of equity shares having a par values of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion of the number of equity share held by the shareholders.

10.5 Shares held by promoter as at 31st March, 2023:

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Bhartiya International Ltd.	49,99,020	-	49,99,020	100	-

NOTES (CONTD.)

11. OTHER EQUITY	Rs. in Lakhs	
Particulars	Retained Earning	Total
Balance as at 31st March, 2021	(103.05)	(103.05)
Profit for the year	(0.57)	(0.57)
Other comprehensive income for the year	-	-
Balance as at 31st March, 2022	(103.62)	(103.62)
Profit for the year	(0.25)	(0.25)
Other comprehensive income for the quarter ended	-	-
Balance as at 31st March, 2023	(103.87)	(103.87)
12. OTHER NON-CURRENT FINANCIAL LIABILITIES		
(a) Security Deposit with Related Parties	0.24	0.22
TOTAL	<u>0.24</u>	<u>0.22</u>
13. OTHER NON-CURRENT LIABILITIES		
(a) Advance Lease Rent	4.73	4.76
TOTAL	<u>4.73</u>	<u>4.76</u>
14. OTHER CURRENT FINANCIAL LIABILITIES		
(a) Due to Employee	0.48	0.55
(b) Expenses Payable	0.46	0.69
(c) Statutory Dues Payable	0.74	0.56
TOTAL	<u>1.68</u>	<u>1.80</u>
15. PROVISIONS		
(a) Provision for Employees Benefits	0.41	0.58
TOTAL	<u>0.41</u>	<u>0.58</u>
16. OTHER CURRENT LIABILITIES		
(a) Advance Lease Rent	0.02	0.02
TOTAL	<u>0.02</u>	<u>0.02</u>

NOTES (CONTD.)

17. REVENUE FROM OPERATIONS	Rs. in Lakhs	
Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Sales of products		
(a) Sales	1.71	-
TOTAL	<u>1.71</u>	<u>-</u>
18. OTHER INCOME		
(a) Interest on		
- Income tax Refund	0.06	-
- Bank Deposit	1.05	0.02
(b) Rental Income	1.00	1.02
(c) Services Charges	6.00	6.00
TOTAL	<u>8.11</u>	<u>7.04</u>
19. CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	1.52	1.52
(b) Closing Stock	-	1.52
Decrease/(Increase)	<u>1.52</u>	<u>-</u>
20. EMPLOYEE BENEFIT EXPENSES		
(a) Salary & Allowances	6.13	5.77
(b) Contribution to Provident & Other Fund	0.40	0.40
TOTAL	<u>6.53</u>	<u>6.17</u>
21. OTHER EXPENSES		
(a) Professional Charges	0.15	0.14
(b) Power & Fuel	0.96	0.76
(c) Bank Charges	0.01	-
(d) Auditors Remuneration	0.40	0.40
(e) Rates & Taxes	0.09	0.03
(f) General Expenses	-	0.03
(g) Conveyance Expenses	0.30	-
(h) Fee & Subscription	0.11	0.11
TOTAL	<u>2.02</u>	<u>1.47</u>

NOTES (CONTD.)

Particulars	Rs. in Lakhs	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
22. TAX EXPENSES		
I) Current Tax		
(a) Current Tax on taxable income for the year	-	-
II) Deferred Tax		
(a) Related To Capital Assets Relating to origination and reversal of temporary differences	-	(0.03)
	<u>-</u>	<u>(0.03)</u>
Effective Income Tax Rate	0.00%	5.00%

22.1 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Accounting profit before tax	(0.25)	(0.60)
Statutory Income Tax Rate	26.00%	26.00%
Computed tax expenses	(0.07)	(0.16)
Tax in respect of earlier years	-	0.13
Permanent tax difference	0.07	-
Income Tax Charge to statement of Profit and Loss Account	<u>0.00</u>	<u>(0.03)</u>

22.2 Deferred Tax Assets /(Liability)

Opening balance	21.22	21.19
Add: Difference in books value and written down value as per income tax	-	0.03
Closing Balance	<u>21.22</u>	<u>21.22</u>

23. CONTINGENT LIABILITIES: NIL

23.1 Investment include 600 equity shares of the value of Rs.72,120/- in M/s J & J Leather Enterprises Ltd held in the name of six nominees of the company.

NOTES (CONTD.)

23.2 Related Party Disclosures as per Ind AS 24 :-

Rs. in Lakhs

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
i) Holding Company: Bhartiya International Ltd		
ii) Subsidiary Companies : J&J Leather Enterprises Ltd.		
iii) Key Management Personnel: <i>Directors</i> Manoj Khattar Jaspal Sethi Ramesh Bhatia Ashok Kumar Gadhok		
iv) Transactions during the year with related parties		
Particulars	2022-23	2021-22
1 Lease Rent Received		
Bhartiya International Ltd	1.00	1.00
2 Consultancy Received		
J & J Leather Enterprises Ltd	6.00	6.00
vi) Balances Outstanding at the year end:	2022-23	2021-22
1 Security Deposit Received		
Bhartiya International Ltd	5.00	5.00

23.3 Earning Per Share (EPS)

Rs. in Lakhs

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
a) Net Profit/(loss) for the year	(0.25)	(0.57)
b) Weighted Average Shares Outstanding during the year	49,99,020	49,99,020
c) Basic/Diluted earnings per share	(0.01)	(0.01)

23.4 Auditor's Remuneration

Audit Fees	0.40	0.40
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23.5 Balances with Corporation Bank of Rs. 1,66,254/- in three inoperative accounts are subject to confirmation/reconciliation.

NOTES (CONTD.)**23.6 Employee Benefits Plans**

The details of various employee benefits provided to employees are as under:

a) Defined Contribution Plans **Rs. in Lakhs**

Particulars	Year Ended 31 st March, 2023	Year Ended 31 st March, 2022
Details of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	0.40	0.36
b) Employees State Insurance Corporation	-	0.04

b) Defined benefit Plans

The Defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal Assumptions	As at 31 st March, 2023	As at 31 st March, 2022
Discount rate	7.20%	7.30%
Salary increase rate	5.00%	5.00%
In service mortality	IALM (2012-14)	IALM (2012-14)

ii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	For the Year Ended 31 st March, 2023	For the Year Ended 31 st March, 2022
Current Services Cost	0.10	0.17
Net Interest Expenses	0.09	0.13
Components of defined benefit costs recognised in profit or Loss	<u>0.19</u>	<u>0.30</u>
Remeasurement on the net defined benefit liability:	-	-
Actuarial (gains)/ losses on obligation for the year	0.27	(0.96)
Net(Income)/Expenses for the year ended recognized in OCI	<u>0.27</u>	<u>(0.96)</u>

iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined

Present Value of defined benefit obligation	1.71	1.25
Fair Value of Plan Asset	3.56	3.56
Net Liability/(Asset) arising from defined benefit obligation	<u>(1.85)</u>	<u>(2.31)</u>

iv) Movements in the present value of the defined benefit obligation are as follows:

Opening defined obligation	1.25	1.91
Current Service Cost	0.10	0.17
Interest Cost	0.09	0.13
Actuarial (gains)/ losses	0.27	(0.96)
Closing defined benefit obligation	<u>1.71</u>	<u>1.25</u>

v) Movements in the fair value of the plan assets are as follows:

Opening fair Value of Plan assets *	3.56	3.56
Return on plan assets excluding interest income	-	-
Closing fair Value of Plan Assets	<u>3.56</u>	<u>3.56</u>

NOTES (CONTD.)

Particulars	Rs. in Lakhs	
	Gratuity	
	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Investment	75.39%	75.39%

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2023 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 0.5% on Defined benefit obligations	1.63	1.80
Effect of Increase/decrease in salary escalation by 0.5% on Defined benefit obligations	1.80	1.63

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2022 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 0.5% on Defined benefit obligations	1.19	1.32
Effect of Increase/decrease in salary escalation by 0.5% on Defined benefit obligations	1.32	1.19

The sensitivity analysis above has been determined on the basis of actuarial certificate.

23.7 Assets given on lease

The company has given assets under operating lease agreement . Future minimum lease payments under non cancellable operating leases in the aggregate and for each of the following year.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Not later than one year	1.00	1.00
Later than one year and not later than five years	4.00	4.00
Later than five years	30.00	31.00

23.8 Fair Value Measurement

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.

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

Trade receivables, cash and cash equivalents, other bank balances, short term loan, 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.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

The following is the basis for categorising the financial instruments measured at fair value into Level 1 to Level 3 :

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using 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: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES (CONTD.)

Rs. in Lakhs

Particulars	As at 31st March, 2023			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Cash & Cash Equivalents	37.28	-	-	37.28
Loan	0.26	-	-	0.26
Other Financial Assets	0.39			0.39
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	1.92	-	-	1.92

Particulars	As at 31st March, 2022			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Cash & Cash Equivalents	36.21	-	-	36.21
Other Financial Assets	0.39	-	-	0.39
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	2.02	-	-	2.02

23.9 Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of profit and loss as specified in Schedule III to the Act is either 'nil' or 'not applicable' to the Company for the year.

23.10 Financial Risk Management

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include credit risk, liquidity risk and market risk (including currency risk).

Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Liquidity Risk

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

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

NOTES (CONTD.)**Rs. in Lakhs****Maturity Profile of Financial Liabilities**

Particulars	As at 31st March, 2023			
	0-1 year	1-5 year	Beyond 5 year	Total
Other Current Liabilities	1.92	-	-	1.92

Particulars	As at 31st March, 2022			
	0-1 year	1-5 year	Beyond 5 year	Total
Other Current Liabilities	2.02	-	-	2.02

23.11 Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	24.92	22.14	11.16%	Due to Sales in Current Year
Return on Equity	Net Profits after taxes	Average Shareholder Equity	(0.001)	(0.000)	43.06%	Due to Sales in Current Year
Net Capital Turnover Ratio	Revenue	Working Capital	0.03	-	100.00%	Due to Sales in Current Year
Net Profit Ratio	Net Profits	Revenue	-14.62%	-	100.00%	Due to Sales in Current Year

23.12 Satisfaction of charge with ROC of Rs. 4.55 crore of IDBI Bank is Pending due to some document issues.

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants
Firm Registration No. 014969N

For and on behalf of the Board**S. K. Poddar**

Partner
Mem. No. 094479
New Delhi, 29th May, 2023

Manoj Khattar

Director
DIN: 00694981

A.K. Gadhok

Director
DIN: 01254410

AOC-1

Pursuant to Proviso to Sub-Section 3 of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of Financial Statement of Subsidiaries/Associates Companies/Joint Ventures

PART-A: SUBSIDIARIES

Name of Subsidiary	Financial Year Ended	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share capital & Reserves & Surplus)	Investments	Turnover	Rs. in Thousand			
									Profit / Loss before Taxation	Provision for Taxation	Profit / Loss after Taxation	% of Share holding
J&J Leather Enterprises Ltd.	31st March, 2023	INR Thousand	20750.00	27584.16	202263.56	153929.40	3500.00	168441.91	1849.47	314.00	1535.47	100.00

BOARD'S REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2023.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2023 are as follows:

(Rs. in Thousands)

Particulars	2022-23	2021-22
Net Sales /Income from Operations	168441.91	164011.87
Other Income	2992.34	3727.68
Total Expenses	169584.79	165445.13
Tax Expense	314.00	1677.51
Profit for the year after Tax	1535.46	616.91

PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

During the year under review, your Company achieved a turnover of Rs. 168441.91 thousands as against Rs. 164011.87 thousands in the previous year. The net profit for the year was reported at Rs. 1535.46 thousands.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2023.

RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

SHARE CAPITAL

During the year under review, no changes had taken place in the Share Capital of the Company.

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any Subsidiary or Associate Company.

ANNUAL RETURN

Currently Company does not have any website.

DIRECTORS

The Board of Directors comprises of Mr. Amrishpal Singh, Mr. Manoj Khattar and Mr. Raghav Goyal# as Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Amrishpal Singh (DIN: 02735647), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022-23, Five Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2022-23 is provided below:

Date of Board Meetings	Name of Directors Presents			
	Mr. Amrishpal Singh	Mr. Manoj Khattar	Mr. C. L. Handa#	Mr. Raghav Goyal#
28.05.2022	Present	Present	Present	N.A.
10.08.2022	Present	Present	Absent	N.A.
28.09.2022	Present	Present	Absent	Absent
10.11.2022	Present	Present	N.A.	Present
10.02.2023	Present	Present	N.A.	Present

#Mr. Raghav Goyal was appointed as a Director w.e.f. 28th September, 2022 and Mr. C. L. Handa resigned from the Board of Directors w.e.f 29th September, 2022.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements.

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties are provided in form AOC-2.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2023 and of the profits of the company for the year ended on that date;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis; and
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS REPORT

M/s. Padmanabhan Ramani & Ramanujam, Chartered Accountants (Firm Registration No. 002510S) had been appointed as the Statutory Auditors of the Company to hold office from 31st Annual General Meeting upto 36th Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7th May, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 32nd Annual General Meeting.

AUDITORS REPORT

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

COST AUDIT AND MAINTENANCE OF COST RECORD

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2022-23.

Hence maintenance of cost records as specified by the Central Government, under sub-section 1 of section 148 of the Companies Act, 2013 is not required.

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your Company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

The Company has adequate risk management process to identify and notify the board of directors about the risks or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities.

ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment

HUMAN RESOURCES

Your company's philosophy has always been based on the progressive and continuous improvement, whether in business or any other function. We have given utmost importance to our human resources and believes in upgrading the skill, knowledge in the respective areas which has helped your company to foster a positive culture and transparency in the system.

Your company firmly believes that people are its most valued asset, and the focus is to retain and sustain a highly qualified and diverse work force.

PARTICULARS OF EMPLOYEES

During the financial year 2022-23, the Company had 82 Employee.

None of the Employees were in receipt remuneration of Rs. 1.02 Crore per annum or more and none of the employees employed for the part of the financial year 2023 were in receipt of Rs. 8.5 lacs per month or more.

None of the employees is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than two percent of the equity shares of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The same is not applicable to your Company.

Technology Absorption

The same is not applicable to your Company.

Foreign Exchange Earnings & Outgo

There are no Foreign Exchange earning and during the year under review Foreign Exchange outgo stands Rs. 164.23 thousand.

PUBLIC DEPOSIT

The Company has neither invited/ nor accepted any deposits during the year within the meaning of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposit) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes which have occurred in between the financial year ended on 31st March, 2023 and date of the report of the company which affects the financial position of the company.

ACKNOWLEDGEMENTS

Your Directors are highly grateful for all the help, guidance and support received from the valued customers, suppliers, vendors, other business associates, various government and local authorities as well as the various Banks.

The Board places on record its appreciation for the devoted and dedicated services rendered by all the employees in taking the Company forward.

For and on behalf of the Board

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

Chennai, 10th August, 2023

FORM NO. AOC -2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:-

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

- a) Name(s) of the related party and nature of relationship
- b) Nature of contracts/arrangements/transactions
- c) Duration of the contracts/arrangements/transactions
- d) Salient terms of the contracts or arrangements or transactions including the value, if any
- e) Justification for entering into such contracts or arrangements or transactions
- f) Date (s) of approval by the Board
- g) Amount paid as advances, if any:
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

(Rs. in Thousand)

S. N.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Amount paid as advance, if any:
1	Bhartiya International Limited	Rent received	Ongoing basis	Rs. 2,400.00	-
2	Bhartiya International Limited	Job Work	Ongoing basis	Rs. 159,238.94	-
3	Mr. Amrishpal Singh	Salary	Ongoing basis	Rs. 300.00	-
4	Bhartiya Global Marketing Limited	Management fees paid	Ongoing basis	Rs. 600.00	

INDEPENDENT AUDITOR'S REPORT

To
The Members of
J&J LEATHER ENTERPRISES LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of J&J LEATHER ENTERPRISES LIMITED ("the Company"), which comprise the balance sheet as at 31st March, 2023, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2023, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("The Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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 purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, we report that:
In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended 31st March, 2023 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (C) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.

- (ii) The Company did not have any long-term contracts including derivative contracts requiring provision for 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.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) contain any material misstatement.
- (v) The Company has not proposed, declared or paid any dividend during the year.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem No. 022438

UDIN: 23022438BGTELW6019

Chennai, 29th May, 2023

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure Referred to in paragraph number 1 under 'Report on Other Legal and Regulatory Requirement' of our report of even date to the members of J&J LEATHER ENTERPRISES LIMITED on the financial statements of the Company for the year ended 31st March, 2023.

- (i) (a) On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The company has maintained proper records showing full particulars of intangible assets;
- (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment or intangible assets during the year.
- (e) According to information and explanation given to us and in our opinion, there are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- (ii) (a) In our opinion and according to the information and explanations given to us physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion the coverage and procedure of such verification by the management is appropriate and discrepancies noticed were not in excess of 10% or more in aggregate for each class of inventory.
- (b) The company does not have any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
- (iii) During the year the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the clause (iii) is not applicable to the company.
- (iv) The Company's investment complies with the provisions of section 186 of the Act. The Company has not granted any loans nor extended any guarantees nor provided any securities covered under provisions of section 185 or section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts deemed to be deposits. Hence reporting under 3(v) of the Order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the maintenance of cost records under sub-section (1) of section 148 of the Act is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, and in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance, Income-Tax, Goods & Services Tax, and any other material statutory dues applicable to it. To the best of our knowledge and according to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2023 for a period of more than six months from the date on when they become payable.
- (b) There are no disputed dues of Income-Tax, Sales Tax, Excise Duty, GST, Customs Duty, and Value Added Tax which have not been deposited as on 31st March, 2023.
- (viii) According to the information and explanations given to us and on the basis of our examination, there are no transactions not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to information and explanations given to us and on the basis of our audit procedures, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to information and explanations given to us and on the basis of our audit procedures, the company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to information and explanations given to us and on the basis of our audit procedures, the term loans have been applied for the purpose for which the loans were obtained.
- (d) According to information and explanations given to us, the procedures performed by us and on the basis of our overall examination of financial statements, prima facie no funds raised on short term basis have been utilised for long term purposes.
- (e) The company does not have any subsidiaries, associates or joint ventures. Hence, provisions of clause 3(ix)(e) of the Order, are not applicable.
- (f) The company does not have any subsidiaries, associates or joint ventures. Hence, provisions of clause 3(ix)(f) of the Order, are not applicable.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (b) In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us by the Company, no material fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) As represented by the management, there are no whistle-blower complaints received by the company during the year.

- (xii) The company is not a Nidhi Company and hence provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.
- (xiv) The Company is not required to appoint an Internal Auditor under Section 138 of the Companies Act 2013. Accordingly the provisions of clause xiv (a) and (b) are not applicable to the company at present.
- (xv) According to the information and explanations given to us and on the basis of our examination the company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of Section 192 of Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934. Hence, provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.
 (b) According to the information and explanations given to us and on the basis of our examination, the company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
 (c) According to the information and explanations given to us and on the basis of our examination, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence provisions of clause 3(xvi)(c) and (d) of the Order, are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on the basis of our overall examination of the financial statements, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) are not applicable to the Company at present. Accordingly, the provisions of clause xx (a) and (b) are not applicable to the Company.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem No. 022438

UDIN: 23022438BGTELW6019

Chennai, 29th May, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of J&J LEATHER ENTERPRISES LIMITED on the financial statements of the Company for the year ended 31st March, 2023.

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 J&J LEATHER ENTERPRISES LIMITED ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem No. 022438

UDIN: 23022438BGTELW6019

Chennai, 29th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023**Rs. in Thousand**

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I Assets			
1 Non - Current Assets			
(a) Property, Plant and Equipment	2	91,097.23	96,646.94
(b) Other Intangible Assets	3	140.34	404.70
(c) Right to use Assets	4	16,922.32	19,450.54
(d) Financial Assets			
(i) Investment	5	3,500.00	3,500.00
(ii) Other Financial Assets	6	6,727.82	6,231.62
(e) Other Non Current Assets	7	982.02	982.02
(g) Non-Current Tax Assets (net)		5,987.81	6,151.23
2 Current Assets			
(a) Inventories	8	31,875.25	41,365.33
(b) Financial Assets			
(i) Trade Receivables	9	13,598.64	3,785.09
(ii) Cash and Cash Equivalents	10	716.10	1,187.79
(iii) Loans	11	330.00	165.20
(d) Other Current Assets	12	30,386.00	23,807.69
Total Assets		<u>2,02,263.56</u>	<u>2,03,678.16</u>
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	13	20,750.00	20,750.00
(b) Other Equity	14	27,584.16	26,010.79
2 Liabilities			
Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	762.44	772.60
(ii) Lease Liability		18,385.52	20,666.69
(b) Provisions	16	5,131.66	4,266.91
(c) Deferred Tax Liabilities (Net)	22	510.66	659.48
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	4,273.16	9,731.66
(ii) Trade Payables	18		
Total outstanding dues of micro enterprises and small enterprises		-	7,539.40
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,325.38	7,461.74
(iii) Lease Liability		2,121.59	1,570.92
(iv) Other Financial Liabilities	19	2,480.18	2,276.46
(c) Provisions	20	2,565.86	2,411.30
(d) Current Tax Liabilities (Net)		-	263.94
(e) Other Current Liabilities	21	1,00,372.42	99,296.27
Total of Equity and Liabilities		<u>2,02,263.53</u>	<u>2,03,678.16</u>
Significant accounting policies and The accompanying notes are an integral part of the financial statements	1		

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

N. Ramani

Partner

Mem. No. 022438

Chennai, 29th May, 2023

Amrishpal Singh

Managing Director

DIN: 02735647

For and on behalf of the Board**Manoj Khattar**

Director

DIN: 00694981

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note No.	Rs. in Thousand	
		Year Ended 31st March, 2023	Year Ended 31st March, 2022
Income			
Revenue from Operations	23	1,68,441.91	1,64,011.87
Other Income	24	2,992.34	3,727.68
Total Income		<u>1,71,434.25</u>	<u>1,67,739.55</u>
Expenses			
Cost of Material Consumed	25	8,960.13	10,555.67
Manufacturing & Operating Expenses	26	88,255.12	85,476.87
Employee Benefits Expense	27	38,358.94	37,323.37
Finance Costs	28	2,759.35	3,346.30
Depreciation and Amortisation Expense	29	11,048.08	10,148.13
Other Expenses	30	20,203.17	18,594.78
Total Expenses		<u>1,69,584.79</u>	<u>1,65,445.13</u>
Profit/ (Loss) before Tax		1,849.46	2,293.42
Tax Expenses			
i Current Tax		-	635.08
ii Deferred tax		314.00	1,042.43
Profit / (Loss) for the year		<u>1,535.46</u>	<u>616.91</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
- Remeasurements of the defined benefit plans		51.90	423.39
- Income tax relating to above items		(13.49)	(110.08)
Total Comprehensive Income for the Year		<u>1,573.87</u>	<u>930.22</u>
Earnings per equity share of face value of Rs 10/- each			
Basic (in Rupees)		7.40	2.97
Diluted (in Rupees)		7.40	2.97

Significant Accounting Policies and Notes to the Financial Statements 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

N. Ramani

Partner

Mem. No. 022438

Chennai, 29th May, 2023

For and on behalf of the Board

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023**Rs. in Thousand**

Particulars	Equity Capital
a) Equity share Capital (Refer Note-13)	
Balance as at 31st March, 2021	20,750.00
Change in equity share capital during the year 2021-22	-
Balance as at 31st March, 2022	20,750.00
Change in equity share capital during the year 2022-23	-
Balance as at 31st March, 2023	20,750.00

Particulars	Reserve and Surplus				Total
	Securities Premium	Capital Reserve	Retained Earning	Other Comprehensive Income (Defined Benefit Plans)	
b) Other Equity (Refer Note -15)					
Balance as at 31st March, 2021	8,992.50	4,621.28	10,870.08	596.71	25,080.57
Profit/(Loss) for the year			616.91		616.91
Other comprehensive income (Net of Taxes)				313.31	313.31
Balance as at 31st March, 2022	8,992.50	4,621.28	11,486.99	910.02	26,010.79
Profit/(Loss) for the year			1,535.46		1,535.46
Other comprehensive income (Net of Taxes)				38.41	38.41
Balance as at 31st March, 2023	8,992.50	4,621.28	13,022.45	948.43	27,584.66

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

N. Ramani

Partner

Mem. No. 022438

Chennai, 29th May, 2023

For and on behalf of the Board**Amrishpal Singh**

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Rs. in Thousand	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per statement of Profit and loss	1,849.46	2,293.42
Adjustment for :		
Finance Cost	2,759.35	3,346.30
Depreciation and amortisation expenses	11,048.08	10,148.14
Rental Income	(2,400.00)	(2,400.00)
Operating profit/(loss) before Working Capital Changes	13,256.89	13,388.86
Movements in Working Capital:		
Increase/ (decrease) in trade payables	2,324.24	4,753.24
Increase/ (decrease) in other financial liabilities	203.72	219.22
Increase/ (decrease) in other liabilities	1,076.15	(8,069.31)
Increase/ (decrease) in provisions	1,071.21	1,446.39
Decrease/ (increase) in inventories	9,490.09	218.76
Decrease/ (increase) trade receivables	(9,813.55)	192.70
Decrease/ (increase) in loan	(164.80)	176.00
Decrease/ (increase) in other current financial assets	-	-
Decrease/ (increase) in other current assets	(6,578.31)	(3,121.89)
Decrease/ (increase) in other Non-current assets	(496.20)	433.53
Cash (used in) / generated from operations	(2,887.43)	(3,751.36)
Income tax paid (Net)	(576.81)	788.43
Net cash (used in)/ generated from operating activities - (A)	9,792.63	10,425.93
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,705.79)	(5,388.20)
Rental Income	2,400.00	2,400.00
Net cash from/ (used in) investing activities - (B)	(305.79)	(2,988.20)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	(5,468.66)	(3,299.88)
Interest and processing fees paid (net)	(820.95)	(1,267.93)
Payment of Lease Rent	(3,668.92)	(3,518.47)
Net cash from/ (used in) financing activities - (C)	(9,958.53)	(8,086.28)
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(471.69)	(648.56)
Cash and cash equivalents as at beginning of the year	1,187.79	1,836.34
Cash and cash equivalents as at the end of the year	716.10	1,187.79
Components of Cash and Cash Equivalents:		
Cash on hand	318.16	391.55
Balances with scheduled banks:		
In current accounts	397.94	796.24
Cash and cash equivalents in cash flow statement	716.10	1,187.79

The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard - 7 ('Ind AS 7') on Cash Flow Statement prescribed in Companies (Indian Accounting Standard) Rules, 2015, notified under section 133 of the Companies Act, 2013.

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

N. Ramani

Partner

Mem. No. 022438

Chennai, 29th May, 2023

For and on behalf of the Board

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

1.0 Significant Accounting Policies

1.1 Corporate Information

J&J Leather Enterprises Limited ('the Company') is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company has its registered office at Chennai .The Company is in the business of job work/processing of leather.

1.2 Basis of Preparation

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

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 Current and Non Current Classification

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 realised or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised 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.

1.4 Property, Plant and Equipment

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and non refundable taxes, assets retirement obligation and costs directly attributable towards bringing the assets to its working condition for intended use. Any trade discount and rebate are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is provided on straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Companies Act, 2013.

1.5 Capital Work-In-Progress

Capital WIP is carried at cost and directly attributable expenditure during the period which is allocated to the property, plant and equipment on the completion (of the project).

1.6 Lease

Effective from 1st April, 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES (CONTD.)**Company as a Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-Term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.7 Inventories

Raw materials and consumables have been valued after providing for obsolescence. Cost comprise of cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis. Finished goods, raw material and consumables are value at cost or net realisable value whichever is lower. Cost of finished goods and work-in-progress include all costs of material, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

NOTES (CONTD.)**1.8 Cash & Cash Equivalents**

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

1.9 Revenue Recognition

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and taxes. Transaction price is recognised based on the price specified in the contract, net of discount.

Revenue from Job Work/ Services

Revenue from Job work/ services is recognised in the accounting period in which the services are rendered.

Revenue from Sale

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Interest Income

Interest income on fixed deposits with banks is recognized/accounted on accrual basis.

1.10 Manufacturing and Operating Expenses

The Company classifies separately manufacturing and operating expenses which are directly linked to manufacturing and service activities of the Company

1.11 Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in other comprehensive income.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

1.12 Provision and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

NOTES (CONTD.)**1.13 Earning per Share**

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

1.14 Employee Benefits**Defined Contribution Plan**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Defined Benefit Plan

Gratuity is a defined benefit obligation. The Company accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary.

1.15 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with Banks, other financial assets and investments.

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities**Initial recognition and Measurement**

These include trade and other payables, loans and borrowings including Bank OD.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

NOTES (CONTD.)**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.16 Intangible Assets

On transition to IND AS, the company has adopted optional exemption under IND AS 101 to measure Intangible assets at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Intangible assets on the date of transition. Subsequently intangible assets are stated at cost, less accumulated amortization and impairments, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use.

Amortisation Method and Useful Life

The Company amortizes its intangible assets using the straight-line method over the period of 3 years

1.17 Foreign Currency Translation

The Company's financial statements are presented in Indian currency, which is also the company's functional currency.

Transactions and Balances

Transactions in foreign currencies are initially recorded in functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

1.18 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Profit and Loss on a straight - line basis over the expected lives of related assets and presented within other income.

1.19 Impairment of Assets

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as an income immediately.

NOTES (CONTD.)**2. PROPERTY, PLANT AND EQUIPMENTS****Rs. in Thousand**

Particulars	LAND		OTHER THAN LAND					Total
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	
Gross Carrying Amount								
Balance as at 31st March, 2021	2,752.99	32,801.26	77,812.56	1,134.13	375.03	2,430.08	853.60	1,18,159.65
Addition	-	11,027.70	1,630.47	19.60	1,378.59	42.00	108.79	14,207.15
Disposal	-	-	1,556.63	-	367.15	-	-	1,923.78
Balance as at 31st March, 2022	2,752.99	43,828.96	77,886.40	1,153.73	1,386.47	2,472.08	962.39	1,30,443.02
Addition	-	2,080.05	60.00	38.30	-	370.84	156.60	2,705.79
Disposal	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	2,752.99	45,909.01	77,946.40	1,192.03	1,386.47	2,842.92	1,118.99	1,33,148.81
Amortization and Impairment								
Balance as at 31st March, 2021	-	5,423.69	19,614.93	416.11	351.34	1,167.94	662.07	27,636.08
Addition	-	1,289.06	5,446.33	108.54	84.29	287.06	82.92	7,298.20
Disposal	-	-	789.41	-	348.79	-	-	1,138.20
Balance as at 31st March, 2022	-	6,712.75	24,271.85	524.65	86.84	1,455.00	744.99	33,796.08
Addition	-	2,139.27	5,451.51	110.79	163.65	283.78	106.50	8,255.50
Disposal	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	-	8,852.02	29,723.36	635.44	250.49	1,738.78	851.49	42,051.58
Net Carrying Amount								
Balance as at 31st March, 2022	2,752.99	37,116.21	53,614.55	629.08	1,299.63	1,017.08	217.40	96,646.94
Balance as at 31st March, 2023	2,752.99	37,056.99	48,223.04	556.59	1,135.98	1,104.14	267.50	91,097.23

3. OTHER INTANGIBLE ASSETS**Rs. in Thousand**

Particulars	Computer Software	Total
Gross Carrying Amount		
Balance as at 31st March, 2021	2,354.81	2,354.81
Addition	-	-
Disposal	-	-
Balance as at 31st March, 2022	2,354.81	2,354.81
Addition	-	-
Disposal	-	-
Balance as at 31st March, 2023	2,354.81	2,354.81
Accumulated Depreciation		
Balance as at 31st March, 2021	1,628.39	1,628.39
Addition	321.72	321.72
Disposal	-	-
Balance as at 31st March, 2022	1,950.11	1,950.11
Addition	264.36	264.36
Disposal	-	-
Balance as at 31st March, 2023	2,214.47	2,214.47
Net Carrying Amount		
Balance as at 31st March, 2022	404.70	404.70
Balance as at 31st March, 2023	140.34	140.34

NOTES (CONTD.)

4. RIGHT OF USE ASSETS		Rs. in Thousand		
Particulars	Building	Total		
Gross Carrying Amount				
Balance as at 31st March, 2021	25,282.16	25,282.16		
Addition	-	-		
Disposal	-	-		
Balance as at 31st March, 2022	<u>25,282.16</u>	<u>25,282.16</u>		
Addition	-	-		
Disposal	-	-		
Balance as at 31st March, 2023	<u>25,282.16</u>	<u>25,282.16</u>		
Accumulated Depreciation				
Balance as at 31st March, 2021	3,303.40	3,303.40		
Addition	2,528.22	2,528.22		
Disposal	-	-		
Balance as at 31st March, 2022	<u>5,831.62</u>	<u>5,831.62</u>		
Addition	2,528.22	2,528.22		
Disposal	-	-		
Balance as at 31st March, 2023	<u>8,359.84</u>	<u>8,359.84</u>		
Net Carrying Amount				
Balance as at 31st March, 2022	19,450.54	19,450.54		
Balance as at 31st March, 2023	<u>16,922.32</u>	<u>16,922.32</u>		
5. INVESTMENT IN EQUITY INSTRUMENTS				
Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	Share	Amount	Share	Amount
	(No.)		(No.)	
A Investments in Equity Instrument (Unquoted)				
At Fair Value through Profit and Loss				
i) Pallavaram Tanners Industrial Effluent Treatment Co. Ltd.	31,525	3,500.00	31,525	3,500.00
		<u>3,500.00</u>		<u>3,500.00</u>
Aggregate amount of Unquoted Investments		3,500.00		3,500.00
Aggregate amount of impairment in value of Unquoted Investments		-		-
6. OTHER NON CURRENT FINANCIAL ASSETS				
Particulars		Rs. in Thousand		
		As at	As at	
		31st March, 2023	31st March, 2022	
(Unsecured & Considered Good)				
(a) Security and Other Deposits		6,727.82	6,231.62	
TOTAL		<u>6,727.82</u>	<u>6,231.62</u>	
7. OTHER NON CURRENT ASSETS				
(a) Prepayment Lease Rent		982.02	982.02	
TOTAL		<u>982.02</u>	<u>982.02</u>	

NOTES (CONTD.)**8. INVENTORIES****Rs. in Thousand**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Valued at Lower of cost and net realisable value)		
(a) Consumable Stores	199.77	729.73
(b) Raw Material	31,675.48	40,635.61
TOTAL	31,875.25	41,365.34

9. TRADE RECEIVABLES

a) Unsecured, considered good)	13,598.64	3,785.09
TOTAL	13,598.64	3,785.09

Trade receivable ageing Schedule for the year ended as on 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	9,827.40	-	3,580.08	191.61		13,598.64

Trade receivable ageing Schedule for the year ended as on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3.00	3,586.79	196.30	-	-	3,785.09

10. CASH AND CASH EQUIVALENTS

a) Balances with Banks		
- In current accounts	397.94	796.24
b) Cash on Hand	318.16	391.55
TOTAL	716.10	1,187.79

NOTES (CONTD.)**11. CURRENT LOAN** **Rs. in Thousand**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured & Considered Good)		
(a) Advance to Employees	330.00	165.20
TOTAL	<u>330.00</u>	<u>165.20</u>

12. OTHER CURRENT ASSETS

a) Prepaid Expenses	1,489.75	2,508.00
b) GST Receivable	28,889.05	21,202.84
c) Other Advances	7.20	-
d) Prepayment Lease Rent	-	96.85
TOTAL	<u>30,386.00</u>	<u>23,807.69</u>

13. SHARE CAPITAL**Authorised Share Capital**

300,000 (31st March, 2022: 300,000) Equity Shares of Rs. 100/- each	30,000.00	30,000.00
	<u>30,000.00</u>	<u>30,000.00</u>

Issued, Subscribed & Paid up :

2,07,500 (31st March, 2022: 207,500) Equity Shares of Rs. 100/- each	20,750.00	20,750.00
TOTAL	<u>20,750.00</u>	<u>20,750.00</u>

13.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,07,500	20,750.00	2,07,500	20,750.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,07,500	20,750.00	2,07,500	20,750.00

13.2 The Company has only one class of equity shares having a par value of Rs.100/- per equity share. Each holder of equity shares is entitled to one vote per shares. In the event of Liquidation of the Company, the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.

NOTES (CONTD.)13.3 The details of Shareholders holding more than 5% shares **Rs. in Thousand**

Name of the share holders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bhartiya Global Marketing Limited	2,07,500	100.00	2,07,500	100.00

13.4 Shares Held By holding company and subsidiaries of holding company in aggregate

Particulars	As at	As at
	31st March, 2023 No. of Shares	31st March, 2022 No. of Shares
Shares held by holding company, Bhartiya Global Marketing Ltd.	2,07,500	2,07,500

14. OTHER EQUITY

Particulars	Securities Premium	Capital Reserve	Retained Earning	Other Comprehensive Income (Defined Benefit Plans)	Total
Balance as at 31st March, 2021	8,992.50	4,621.28	10,870.08	596.71	25,080.57
Profit for the year			616.91		616.91
Other comprehensive income (Net of Taxes)				313.31	313.31
Balance as at 31st March, 2022	8,992.50	4,621.28	11,486.99	910.02	26,010.79
Profit for the year			1,535.46		1,535.46
Other comprehensive income (Net of Taxes)				38.41	38.41
Balance as at 31st March, 2023	8,992.50	4,621.28	13,022.45	948.43	27,584.66

Nature and Amount of Reserve**a) Securities Premium**

The amount received in excess of face value of the equity shares is recognised in securities premium.

b) Capital Reserve

Grants in the nature of promoters recovered from Government are recognised as Capital Reserve.

15. NON-CURRENT BORROWINGS **Rs. in Thousand**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Secured		
Vehicle Loans from Bank	762.44	772.60
TOTAL	762.44	772.60

Nature of Security	Terms of Repayment
Vehicle Loans are secured by way of hypothecation of vehicle financed by the bank.	The Loan is repayable in 60 Monthly Installment starting from October, 2021. Last installment due in September, 2026.

NOTES (CONTD.)**16. NON CURRENT PROVISION** **Rs. in Thousand**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Gratuity	5,131.66	4,266.91
TOTAL	5,131.66	4,266.91

17. CURRENT BORROWING

(a) Current Maturities of Long Term Borrowings	4,273.16	9,731.66
TOTAL	4,273.16	9,731.66

18. TRADE PAYABLES

(a) Payable to Micro & Small Enterprises	-	7,539.40
(b) Payable to others	17,325.38	7,461.74
TOTAL	17,325.38	15,001.14

Trade payable ageing Schedule for the year ended as on 31st March, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-				-
(ii) Others	17,325.38				17,325.38
Total Trade Payable	17,325.38	-	-	-	17,325.38

Trade payable ageing Schedule for the year ended as on 31st March, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
(i) MSME	7,539.40				7,539.40
(ii) Others	7,461.74				7,461.74
Total Trade Payable	15,001.14	-	-	-	15,001.14

Micro and small enterprises under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

19. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Due to Employee	2,480.18	2,276.46
TOTAL	2,480.18	2,276.46

20. CURRENT PROVISIONS

Provision for Employee Benefits		
Provision for Leave Encashment	2,380.43	2,331.02
Provision for Gratuity	185.43	80.28
TOTAL	2,565.86	2,411.30

NOTES (CONTD.)**21. OTHER CURRENT LIABILITIES****Rs. in Thousand**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Advance from Customer	98,791.36	97,091.53
(b) Capital Creditor	-	733.67
(c) Bonus Payable	668.04	642.85
(d) Statutory Dues Payable	913.02	828.22
TOTAL	<u>1,00,372.42</u>	<u>99,296.27</u>

22. DEFERRED TAX LIABILITY/ (ASSETS)**Deferred Tax Liabilities**

a) Related to Property Plant & Equipment	5,274.31	4,787.22
b) Related to OCI	123.57	110.08

Deferred Tax Assets

a) Related to Business Losses	(1,958.10)	(2,070.40)
b) Related to Provision of Bonus, Leave encashment & Gratuity	(2,188.68)	(1,903.48)
c) Mat Credit Entitlement	(740.44)	(263.94)

Deferred Tax Liability(Net)	<u>510.66</u>	<u>659.48</u>
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23. REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Sale of Product	9,838.30	11,029.08
Sale of Services	1,58,603.61	1,52,982.79
TOTAL	<u>1,68,441.91</u>	<u>1,64,011.87</u>

24. OTHER INCOME

Interest Income	307.41	485.64
Security Deposit	48.43	73.50
Rent Income	2,400.00	2,400.00
Other Misc. Income	236.50	99.86
Profit on Sale of Fixed Assets	-	668.68
TOTAL	<u>2,992.34</u>	<u>3,727.68</u>

25. COST OF MATERIALS CONSUMED

Opening Stock	40,635.61	40,354.10
Add : Purchases	-	10,837.18
	<u>40,635.61</u>	<u>51,191.28</u>
Less : Closing Stock	31,675.48	40,635.61
MATERIALS CONSUMED	<u>8,960.13</u>	<u>10,555.67</u>

NOTES (CONTD.)**26. MANUFACTURING & OPERATING EXPENSES****Rs. in Thousand**

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Job Work Expenses	58,457.94	59,253.23
Electricity Expenses	12,896.70	10,475.30
Machinery Maintenance	4,336.62	4,619.16
Rent	96.85	88.85
Effluent Treatment Expenses	4,870.61	3,700.20
Generator Running & Maintenance	3,337.87	3,757.28
Consumption of Chemical\Consumables	4,258.53	3,582.85
TOTAL	88,255.12	85,476.87

27. EMPLOYEE BENEFIT EXPENSES

a) Salaries and Wages	34,110.87	33,432.89
b) Contribution to Provident and Other Funds	2,566.12	2,473.10
c) Staff Welfare Expenses	1,681.95	1,417.38
TOTAL	38,358.94	37,323.37

28. FINANCE COSTS

a) Interest Expenses	2,759.35	3,272.23
b) Other Borrowing Cost	-	74.07
TOTAL	2,759.35	3,346.30

29. DEPRECIATION AND AMORTISATION EXPENSE

(a) Depreciation on Property Plant and Equipment	8,255.50	7,298.20
(b) Amortisation on Intangible Assets	264.36	321.72
(c) Amortisation on Right to use Assets	2,528.22	2,528.22
TOTAL	11,048.08	10,148.14

NOTES (CONTD.)**30. OTHER EXPENSES****Rs. in Thousand**

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Legal & Professional	4,429.11	2,782.31
Bank Charges	14.07	16.37
Repair & Maintenance	2,291.66	2,850.65
Communication Expenses	116.17	112.15
Rate & Taxes	1,155.89	1,054.86
Rent-Others	217.08	210.50
Travelling & Conveyance	1,285.80	1,019.04
Freight Outward	3,415.32	3,441.08
Miscellaneous Expenses	265.79	279.47
Insurance	921.97	1,130.95
Security Expenses	4,964.30	4,863.61
Fees & Subscription	465.80	342.48
Printing & Stationery	309.21	275.31
Testing Charges	206.00	111.00
Auditors Remuneration-As Audit Fees	145.00	105.00
TOTAL	<u>20,203.17</u>	<u>18,594.78</u>

31. Tax Expenses**i) Current Tax**

Current Tax on Taxable Income for the year	288.52	263.94
Earlier Year Tax	187.98	635.08
Mat Credit Entitlement	(476.50)	(263.94)
	-	<u>635.08</u>

ii) Deferred Tax

Deferred Tax Charge/(Credit)	314.00	1,042.43
Deferred Tax on OCI	13.49	110.08
Income Tax reported in Statement of Profit & Loss	<u>327.49</u>	<u>1,787.59</u>

DEFERRED TAX ASSETS/(LIABILITY)

Opening Balance	(923.42)	229.09
Add:- Deferred Tax Charged/ (Credited) to profit & loss account during the year	314.00	1,042.43
Add:- Deferred Tax charged/ (Credited) to Other Comprehensive income during the year	13.49	110.08
Closing Balance	<u>(1,250.91)</u>	<u>(923.42)</u>

NOTES (CONTD.)

Rs. in Thousand

A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Accounting profit before tax	1,849.47	2,293.92
Statutory income tax rate (%)	26.00	26.00
Computed tax Expenses	480.86	596.42
Tax in respect of earlier years	(166.86)	1,081.09
Income tax charge to statement of profit and loss account	<u>314.00</u>	<u>1,677.51</u>

32. CONTINGENT LIABILITY AND COMMITMENTS:- NIL

33. EMPLOYEE BENEFITS PLANS

The details of various employee benefits provided to employees are as under:

a) Defined Contribution Plans

Particulars	As at 31st March, 2023	As at 31st March, 2022
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident fund	2,396.39	2,320.74
b) Employees State Insurance Corporation	136.40	152.36

b) Defined Benefit Plans

The Defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal Assumptions	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Expected return on plan Assets	0.00%	0.00%
Discount Rate	7.35%	7.35%
Salary Increase Rate	5.00%	5.00%
In Service Mortality	IALM (2012-14)	IALM (2012-14)

NOTES (CONTD.)

ii) **Amounts recognised in statement of profit and loss in respect of these Defined Benefit plans are as follows:** **Rs. in Thousand**

Particulars	Gratuity	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Current Services Cost	698.16	755.59
Net Interest Expenses	316.57	289.22
Past Services Cost	-	-
Components of defined Benefit Costs recognised in profit or Loss	<u>1,014.73</u>	<u>1,044.81</u>
Remeasurement on the net Defined Benefit Liability:		
Actuarial (gains)/ losses on obligation for the year	51.90	(423.39)
Return on plan assets	-	-
Net(Income)/ Expenses for the year ended recognized in OCI	<u>51.90</u>	<u>(423.39)</u>

iii) **The amount included in the balance sheet arising from the entity's obligation in respect of its defined Benefits**

Particulars	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Present Value of defined benefit obligation	5,368.99	4,347.19
Fair Vale of Plan Asset	-	-
Net Liability arising from Defined Benefit obligation	<u>5,368.99</u>	<u>4,347.19</u>

iv) **Movements in the present value of the defined benefit obligation are as follows:**

Particulars	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
Opening defined obligation	4,347.19	4,196.82
Interest cost	316.57	289.22
Current service cost	698.16	755.59
Past service cost	-	-
Benefits Paid	(44.83)	(471.05)
Actuarial (gains)/ losses	51.90	(423.39)
Closing defined benefit obligation	5,368.99	4,347.19

v) **Movements in the Fair Value of the Plan Assets are as follows:**

Particulars	Gratuity	
	As at 31st March, 2023	As at 31st March, 2022
	NA	NA

NOTES (CONTD.)**vi) Sensitivity Analysis****Rs. in Thousand**

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2023 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	5,108.04	5,650.03
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	5,654.73	5,101.55

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2022 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by .50% on Defined benefit obligations	4,121.15	4,591.32
Effect of Increase/decrease in salary escalation by .50% on Defined benefit obligations	4,595.77	4,115.22

The sensitivity analysis above has been determined on the basis of actuarial certificate.

Movement of provision in Leave Encashment

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	2,331.02	1,452.06
Add:- Provision made during the year	773.18	1,603.10
Less:- Amount paid during the year	723.76	724.14
Closing Balance	<u>2,380.44</u>	<u>2,331.02</u>

34. Segment Reporting Disclosure

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

35. Fair Value Measurement

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.

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

Trade receivables, cash and cash equivalents, other bank balances, short term 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.

Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

NOTES (CONTD.)**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.**

The following is the basis for categorising the financial instruments measured at fair value into Level 1 to Level 3 :

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using 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: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	Rs. in Thousand			
	As at 31st March, 2023			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	13,598.64	-	-	13,598.64
Cash & Cash Equivalents	716.10	-	-	716.10
Loans	330.00	-	-	330.00
Other Financial Assets	6,727.82	-	-	6,727.82
Financial Liabilities				
Borrowings	5,035.60	-	-	5,035.60
Trade Payables	17,325.38	-	-	17,325.38
Lease Liabilities	20,507.11	-	-	20,507.11
Other Financial Liabilities	2,480.18	-	-	2,480.18

Particulars	Rs. in Thousand			
	As at 31st March, 2022			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	3,785.09	-	-	3,785.09
Cash & Cash Equivalents	1,187.79	-	-	1,187.79
Loans	165.20	-	-	165.20
Other Financial Assets	6,231.62	-	-	6,231.62
Financial Liabilities				
Borrowings	10,504.26	-	-	10,504.26
Trade Payables	15,001.14	-	-	15,001.14
Lease Liabilities	22,237.61			22,237.61
Other Financial Liabilities	2,276.46	-	-	2,276.46

NOTES (CONTD.)**36. Related Party Disclosure as per IND AS 24:****(a) Relationship:****i) Holding Companies**

Bhartiya Global Marketing Ltd.

Bhartiya International Ltd - Ultimate Holding Company

ii) Key Management Personnel:

Mr. Amrishpal Singh

Mr. Manoj Khattar

Mr. C. L. Handa[#]Mr. Raghav Goyal[#][#]Mr. Raghav Goyal was appointed as Director w.e.f. 28.09.2022 and Mr. C.L. Handa resigned from Board of Directors w.e.f. 29.09.2022.**iii) (a) Transaction with Related Parties - Rs. in Thousand**

Particulars	2022-23		2021-22	
	Holding Company	Key Management Personnel	Holding Co	Key Management Personnel
a) Rent (Received)	2,400.00	-	2,400.00	-
b) Leather Sales/Job Work	1,59,238.94	-	1,61,210.33	-
c) Salaries	-	300.00	-	300.00
d) Management fees paid	600.00	-	600.00	-
e) Purchases	8.70	-	-	-
(b) Balances Outstanding at the Year End				
Sundry Creditors	-	22.50	-	23.75
Advance from Customer	98,791.36	-	97,091.48	-

37. EARNINGS PER SHARE Rs. in Thousand

	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Income available to Equity Shareholders	1,535.46	616.91
No of Shares at the beginning of the Year (A)	2,07,500.00	2,07,500.00
Changes during the year (B)		
Weighted Average Shares Outstanding (nos)(A+B)	2,07,500.00	2,07,500.00
Weighted Average number of equity shares for Diluted EPS	2,07,500.00	2,07,500.00
Nominal Value per share	100	100
Earnings per share (Basic)	7.40	2.97
Earnings per share(Diluted)	7.40	2.97

NOTES (CONTD.)**38. RATIO**

Ratio	Numerator	Denominator	2022-23	2021-22	Variance	Reason
(a) Current Ratio,	Current Assets	Current Liabilities	0.60	0.59	0.94%	
(b) Debt-Equity Ratio,	Total Debt	Shareholder's Equity	0.10	0.22	-52.64%	* Due to repayment of Term Loan
(c) Debt Service Coverage Ratio,	Earning Available for debt services	Debt Services (interest & Lease Payment+Principal Repayments of long term borrowing	-	1.34	-99.87%	* Repayment of Term Loan
(d) Return on Equity Ratio,	Net Profit for the year	Average Shareholder's Equity	3.18%	1.32%	1.41%	
(e) Inventory turnover ratio,	Cost of Goods Sold	Average Inventory	0.24	0.25	-2.13%	
(f) Trade Receivables turnover ratio,	Net Credit Sales	Average Trade Receivables	19.38	39.16	-50.51%	* Due to excess credit period all to Debtors
(g) Trade payables turnover ratio,	Net Credit Purchase	Average Trade Payables	5.46	7.63	-28.44%	
(h) Net capital turnover ratio,	Net Sales	Working Capital(Current assets-current liabilities)	-0.18	-0.16	10.10%	
(i) Net profit ratio,	Net Profit After Tax	Total Sales	0.91%	0.41%	1.22%	
(j) Return on Capital employed,	EBIT	(Tangible Net Worth + Total Debt + Deferred Tax Liability)	8.58%	9.76%	-0.12%	

39. Financial Risk Management

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk).

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

The age analysis of trade receivables as of the balance sheet date have been considered from the due date and disclosed in below table.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than 6 month	9,827.40	3.00
More than 6 month	3,771.24	3782.09

Liquidity Risk

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

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

NOTES (CONTD.)**Maturity Profile of Financial Liabilities** **Rs. in Thousand**

Particulars	As at 31st March, 2023			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing	4,273.16	762.44		5,035.60
Trade Payable	17,325.38			17,325.38
Lease Liability	2,121.59	11,289.25	7,096.27	20,507.11
Other current liabilities	2,480.18			2,480.18

Particulars	As at 31st March, 2022			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing	9,731.66	772.60		10,504.26
Trade Payable	15,001.14			15,001.14
Lease Liability	1,570.92	9,805.39	10,861.32	22,237.63
Other Current Liabilities	2,276.46			2,276.46

Market Risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates risk/liquidity risk which impact returns on investments. Market risk exposures are measured using sensitivity analysis.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest Rate Risk **Rs. in Thousand**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Total Borrowings	5,035.60	10,504.26
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest Rate Sensitivity:

A change of 100 bps in interest rates would have following Impact on profit before tax

Particulars	As at	As at
	31st March, 2023	31st March, 2022
100 bp increase would decrease the profit before tax by	77.45	121.79
100 bp decrease would Increase the profit before tax by	77.45	121.79

NOTES (CONTD.)**Foreign Currency Risk Management**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Rs. in Thousand			
	As at 31st March, 2023		As at 31st March, 2022	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD		-	1.17	-
EURO	-	-	-	-

Foreign Currency Sensitivity

The following table details the Company's sensitivity to a 5% change in rupee value against the relevant foreign currencies, which is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end.

Particulars	Rs. in Thousand			
	As at 31st March, 2023		As at 31st March, 2022	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	-	-	4.44	(4.44)
EURO	-	-	-	-
Foreign Currency Monetary Liabilities				
USD	-	-	-	-
EURO	-	-	-	-
Impact on profit or loss as at the end of reporting year	-	-	4.44	(4.44)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

40. Figures have been rounded off to the nearest rupee. Previous year figures have been regrouped wherever necessary to confirm current year classification.
41. The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
42. The Company does not hold any Benami, Property and does not have any proceeding initiated or pending for holding benami property under the Benami Transaction (Prohibitions) Act, 1988.
43. The Company does not have any transactions with companies struck off
44. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
45. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

N. Ramani

Partner

Mem. No. 022438

Chennai, 29th May, 2023

For and on behalf of the Board

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

BOARD'S REPORT

Dear Members,

Your directors have pleasure in presenting their 17th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2023:

Financial Statements Summary

The financial performance of the Company for the financial year ended 31st March, 2023 is summarized below:

(Rs. in Thousand)

Particulars	2022-23	2021-22
Total Income	5,319.76	4,930.13
Total Expenses	8,492.45	7,763.69
Tax Expense	-	-
Profit / (Loss) for the year after Tax	(3,172.69)	(2,833.56)

Operations review

The Company has requested Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) for approval of denotification of SEZ. We are hopeful for its approval, which will induce viability for the project. The Company will follow-up for setting up of units by domestic and international companies immediately after completion of de-notification.

The performance of the unit operated by Bhartiya International Limited in SEZ has been satisfactory.

Dividend

In view of losses, your directors do not recommend any dividend for the financial year ended 31st March, 2023.

Reserves

In the absence of profit during the period under review, no amount has been transferred to Reserves of the Company.

Capital Structure

The Authorised Share Capital of your Company stood at Rs. 20,00,00,000/- (Rupees Twenty Crores only) comprising of 2,00,00,000 (Two Crore) equity shares of Rs. 10/- (Rupees Ten only) each as on 31st March, 2023.

The issued, subscribed, and paid-up share capital of your Company stood at Rs. 13,56,92,300/- (Rupees Thirteen Crore Fifty-Six Lacs Ninety-Two Thousand Three Hundred only) comprising of 1,35,69,230 (One Crore Thirty-Five Lacs Sixty-Nine Thousand Two Hundred Thirty) equity shares of Rs. 10/- (Rupees Ten only) each as on 31st March, 2023.

*Please note: There is a change in nominee shareholder of 'Bhartiya International Limited' in their board meeting held on 30th May, 2023 for 1 share from Mr. C.L. Handa to 'Bhartiya Global Ventures Private Limited'.

Deposits

The Company did not accept any deposits, or any remains unpaid or remains unclaimed or make any default in the repayment of the deposits or the payment of the interest thereon during the financial year ended 31st March, 2023.

Statutory Auditors

M/s. K A S G & Co., Chartered Accountants, (Firm Registration No. 002228C) were re-appointed as Statutory Auditors of the Company to hold office for five consecutive years starting from the conclusion of the Sixteenth Annual General Meeting (AGM) held on September 23, 2022, until the conclusion of the twenty first Annual General Meeting of the Company to be held in the year 2027.

Auditors' Report

The Auditors' Report does not contain any qualifications. The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments of Directors.

Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

The provisions of Sexual Harassment of women at workplace is not applicable to the company.

Health, Safety and Environment

The Safety & Occupational Health of its employees is embedded as part of the organizational core values of the Company. The Company is conscious of the importance of environmentally clean and safe operations. The Company conducts all operations in a manner to ensure the safety of all concerned, compliance of statutory requirements for environment protection and conservation of natural resources to the extent possible.

Extract of Annual return

Requirement of extract of annual return in form MGT-9 has been done away vide the Companies (Amendment) Act, 2017 effective from 28.08.2020, therefore the same is not required to be attached with this Report. Further, at present, the Company does not have a website.

Board of Directors, Committees of Board and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Mukul Harmilapi, Director of the Company is liable to retire by rotation at the ensuing Seventeenth Annual General Meeting and being eligible offers himself for re-appointment.

The above re-appointment forms a part of the Notice of the forthcoming Seventeenth Annual General Meeting, and the resolution is recommended for Members' approval.

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming that they meet the criteria of independence as prescribed thereunder.

Further the composition of Board of Directors, Committees, and change in Board / KMP/Committees during the period is detailed hereunder:

a) Changes in Directors and Key Managerial Personnel

The details about the changes in the directors or key managerial personnel are as under: -

Sr. No.	Name of the Director/KMP	Designation	Date of the Appointment	Date of the Resignation/ Removal/ Vacation	Date of the Change in Designation
1	Mr. C.L. Handa	Independent Director	27-02-2007	23-09-2022	-
2	Mr. Vivek Kapur	Additional & Independent Director	10-11-2022	-	-
2	Mr. Yatharth	Company Secretary	01-12-2021	19-11-2022	-
3	Mr. Jogendra	Company Secretary	21.11.2022	-	-

b) Number of Meetings of the Board of Directors

During the Financial Year 2022-23; Total 4 (Four) Board Meetings were conducted as follows:

Sr. No.	Date of Board meeting
1	26 th May 2022
2	10 th August 2022
3	10 th November 2022
4	10 th February 2023

c) Audit Committee

Audit Committee of the Board of Directors (the "Audit Committee") is entrusted with the responsibility to supervise the Company's Financial reporting process and internal control.

The composition, quorum, powers, role and scope are in accordance with section 177 of the Companies Act, 2013.

Committee inter alia provides direction to and oversee risk management functions, review of financial results and annual financial statements, interacts with statutory auditor and carry out such functions, duties roles as entrusted by the Companies Act, 2013.

The composition of Audit Committee re-constituted via a board meeting dated 10th February 2023 by the Board of Directors is as under:

Sr. No.	Name of the Member	Designation
1	Mr. Manoj Khattar	Non-Executive Director
2	Mr. Vivek Kapur (Appointed w.e.f. 10 th Feb 2023)	Independent Director
3	Mr. Sandeep Seth	Independent Director
4	Mr. C.L. Handa (Ceased w.e.f. 23 rd Sep, 2022)	

During the Financial Year 2022-23; Total 4 (Four) Audit committee Meetings were conducted as follows:

Sr. No.	Date of Audit Committee meeting
1	26 th May, 2022
2	10 th August, 2022
3	10 th November, 2022
4	10 th February, 2023

d) Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee re-constituted via a board meeting dated 10th Feb 2023 by the Board of Directors is as under:

Sr. No.	Name of the Member	Designation
1	Mr. Manoj Khattar	Non-Executive Director
2	Mr. Vivek Kapur (Appointed w.e.f. 10 th February, 2023)	Independent Director
3	Mr. Sandeep Seth	Independent Director
4	Mr. C.L. Handa (Ceased w.e.f. 23 rd September, 2022)	

The performance of the Board of Directors was reviewed by independent directors of the Company at their meeting held on 10th Feb, 2023 during the period under review. Further the Independent Directors also assessed the quality, quantity, and timelines of flow of information between the Company and Management of the Company.

Particulars of Employees

During the year, no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as prescribed under Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended 31st March 2022.

Particulars of Loans, Guarantees or Investments Under Section 186

The details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

Particulars of Contracts or Arrangements with Related Parties under section 188(1)

The details of Related Party Transactions are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties is provided in form AOC-2 as 'Annexure-A'.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

There are no significant and material orders by the regulators / courts / tribunals that would impact the going concern status of the company and its future operations.

Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors had prepared the annual accounts on a going concern basis.
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of adequacy of internal financial controls regarding the Financial Statements

The Company has an adequate system of internal control to safeguard and protect from loss, unauthorized use, or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

Risk Management

The Company has adequate risk management process to identify and notify the board of directors about the risks or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the Board of Directors.

Conservation of Energy, Technology Absorption and Foreign exchange Earnings and Outgo:

A) Conservation of energy:

The same is not applicable to your Company.

B) Technology absorption:

The same is not applicable to your Company.

C) Foreign exchange earnings and Outgo:

There is no foreign exchange earnings and outgo.

Material changes and commitments, if any, affecting the financial position of the company occurred between at the end of the financial year dated 31st March, 2023 and the date of the report

There are no material changes occurred in between the financial year ended on 31st March, 2023 and date of the report of the company which affects the financial position of the company.

Subsidiaries / Joint Ventures / Associate Companies during the year

During the year under review there was no Subsidiary / Joint Venture / Associate Company to the Company.

Secretarial Standards

Your directors confirm that the Company complies with all applicable Secretarial Standards and all other Standards voluntarily adopted by the Company.

Acknowledgements

The Directors place on record their appreciation for the continued support and co-operation rendered by the Banks, Government Authorities, Suppliers and the consumers and the shareholders of the Company. The Directors also convey they're thanks to the employees at all levels for the growth of the Company.

For and on behalf of the Board

Gurugram, 10th August, 2023

Manoj Khattar
Director
DIN: 00694981

Amrishpal Singh
Managing Director
DIN: 02735647

ANNEXURE FORMING PART OF THE DIRECTOR'S REPORT**'ANNEXURE-A'****(Rs. in Thousand)**

(Pursuant to clause (h) of sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)						
Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto						
FORM NO. AOC-2						
I.	Details of contracts or arrangements or transactions not at arm's length basis					
a)	Name(s) of the related party and nature of relationship					N.A.
b)	Nature of contracts / arrangements / transactions					
c)	Duration of the contracts / arrangements / transactions					
d)	Salient terms of the contracts / arrangements / transactions including the value if any					
e)	Justification for entering into such contracts / arrangements / transactions					
f)	Date(s) of approval by the Board					
g)	Amount paid as advances, if any					
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188					
II.	Details of material contracts / arrangement / transactions at arm's length basis					
S. N.	Name of the Related Party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts / arrangements / transactions including the value, if any	Amount paid as advances if any	
1.	Bhartiya International Limited	Service charges received	Ongoing basis	Rs. 47,55,390/-		
2.	Mr. Mukul Harmilapi (Director)	Professional Charges paid	Ongoing basis	Rs. 12,50,000/-	-	

For and on behalf of the BoardGurugram, 10th August, 2023

Manoj Khattar
Director
DIN: 00694981

Amrishpal Singh
Managing Director
DIN: 02735647

INDEPENDENT AUDITOR'S REPORT

To the Members of Bhartiya International SEZ Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bhartiya International SEZ Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow 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 financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statement and our auditor's report there on.

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

In connection with our audit of the financial statement our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our 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.

Board of Directors and Management's Responsibility for the Financial Statements

The Company's Board of Directors and the management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind As") specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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 financial statement, 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 statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement 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 the internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, based on our audit 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 purposes 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, the Statement of Profit and Loss (including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided for managerial remuneration.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our 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 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.
 - iv)
 - a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
 - v) The company has not declared or paid dividend during the year.

for K A S G & CO.

Chartered Accountants

Firm's Registration No. 002228C

R.B. Sharma

Partner

Mem. No. 075701

UDIN: 23075701BGZFSA8145

Gurugram, 26th May, 2023

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2023, we report that:

- I
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company does not have any Intangible Assets and hence reporting under clause 3(i)(a)(B) of the Order is not applicable.
 - (b) According to the information and explanations given to us and the records of the company examined by us, the property, plant and equipment have been physically verified by the management in a periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its business. No discrepancies were noticed on such physical verification.
 - (c) Based on our examination of records, we report that in respect of self-constructed building disclosed in the financial statements, the Title Deeds are held in the name of the Company as at balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment during the year
 - (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.
- II
 - (a) The company is a SEZ developer. The inventory of land/plots has been physically verified by the management during the year. In our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. No discrepancy has been noticed on verification between the physical stocks and the book records.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- III According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year.
- IV According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Hence, reporting under clause 3(iv) of the Order is not applicable.
- V The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- VI According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- VII In respect of statutory dues:
 - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

- (c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Lacs
Goods and Service Tax Act, 2017	Goods and Service Tax	Appellate Authority upto Commissioner level	F.Y. 2019-20	4.05

- viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the IncomeTaxAct,1961 (43 of 1961).
- ix (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The company does not have any subsidiaries, associates or joint venture. Hence reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle blower complaints received by the company during the year.
- xii The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- xiii In our opinion, the Company is in compliance with Section 177 and 188 of the CompaniesAct,2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, in determining the nature, timing and extent of our audit procedures.
- xv In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions,2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii The Company has incurred cash loss of Rs. 31.73 lacs during the financial year covered by our audit and Rs. 28.33 lacs during the immediately preceding financial year
- xviii There has been no resignation of the statutory auditors of the Company during the year.
- xiv On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx a) There is no amount to be spent for towards Corporate Social Responsibility (CSR). Hence, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) The Company does not have ongoing projects relating to CSR. Hence reporting under clause 3(xx)(b) of the Order is not applicable.

for K A S G & CO.

Chartered Accountants

Firm's Registration No. 002228C

R.B. Sharma

Partner

Mem. No. 075701

UDIN: 23075701BGZFSA8145

Gurugram, 26th May, 2023

ANNEXURE - B TO THE AUDITORS' REPORT

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 Bhartiya International SEZ Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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 K A S G & CO.

Chartered Accountants

Firm's Registration No. 002228C

R.B. Sharma

Partner

Mem. No. 075701

UDIN: 23075701BGZFSA8145

Gurugram, 26th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. in Thousand

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I Assets			
1 Non - Current Assets			
(a) Property, Plant and Equipment	2	873.58	873.58
(b) Financial Assets			
(i) Other Financial Assets	3	90.00	90.00
(c) Other Non-Current Assets	4	720.00	485.00
2 Current Assets			
(a) Inventories	5	1,25,611.59	1,25,611.59
(b) Financial Assets			
(i) Cash and Cash Equivalents	6	3,967.45	6,689.82
(c) Current Tax Assets		117.73	220.39
(d) Other Current Assets		608.53	501.51
Total Assets	7	<u>1,31,988.88</u>	<u>1,34,471.89</u>
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	8	1,35,692.30	1,35,692.30
(b) Other Equity	9	(11,375.34)	(8,202.65)
2 Liabilities			
Non - Current Liabilities			
(a) Provisions	10	3.90	7.48
3 Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	11		
<i>Total outstanding dues of micro enterprises and small enterprises</i>		-	-
<i>Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		476.18	-
(ii) Other financial liabilities	12	1,239.52	2,381.69
(b) Provisions	13	25.30	23.85
(c) Other Current Liabilities	14	5,927.02	4,569.22
Total of Equity and Liabilities		<u>1,31,988.88</u>	<u>1,34,471.89</u>
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

For and on behalf of the Board**R.B. Sharma**

Partner

Mem. No. 075701

Gurugram, 26th May, 2023

Jogendra

Company Secretary

Mem. No. A-54391

Manoj Khattar

Chief Financial Officer

DIN: 00694981

Amrishpal Singh

Managing Director

DIN: 02735647

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note No.	Rs. in Thousand	
		Year Ended 31st March, 2023	Year Ended 31st March, 2022
Income			
Revenue from Operations	15	4,755.39	4,586.08
Other Income	16	564.37	344.05
Total Income		<u>5,319.76</u>	<u>4,930.13</u>
Expenses			
Employee Benefits Expense	17	570.19	531.92
Other Expenses	18	7,922.26	7,231.77
Total Expenses		<u>8,492.45</u>	<u>7,763.69</u>
Profit/ (Loss) before tax		(3,172.69)	(2,833.56)
Tax Expenses			
i Current Tax		-	-
ii Deferred Tax		-	-
Profit / (Loss) for the year from continuing Operation		<u>(3,172.69)</u>	<u>(2,833.56)</u>
Other Comprehensive Income			
<i>Items that will not be Reclassified to profit or Loss ;</i>			
Remeasurements of the defined benefit plans		-	1.20
Total Comprehensive Income for the Year		<u>(3,172.69)</u>	<u>(2,832.36)</u>
Earnings per equity share of face value			
Basic (in Rupees)		(0.23)	(0.21)
Diluted (in Rupees)		(0.23)	(0.21)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

For K A S G & CO.Chartered Accountants
Firm Reg. No. 002228C**For and on behalf of the Board****R.B. Sharma**Partner
Mem. No. 075701

Gurugram, 26th May, 2023

JogendraCompany Secretary
Mem. No. A-54391**Manoj Khattar**Chief Financial Officer
DIN: 00694981**Amrishpal Singh**Managing Director
DIN: 02735647

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Thousand		
Particulars	Note No.	Equity Share Capital (Rs)
a) Equity Share Capital	8	
Balance as at 31st March, 2021		1,35,692.30
Change in equity share capital during the year 2021-22		-
Balance as at 31st March, 2022		1,35,692.30
Change in equity share capital during the year 2022-23		-
Balance as at 31st March 2023		1,35,692.30
Particulars	Note No.	Retained Earnings (Rs)
b) Other Equity	9	
As at 31st March, 2021		(5,370.29)
Profit/(Loss) for the year 2021-22		(2,833.56)
Other comprehensive income for the year		1.20
As at 31st March, 2022		(8,202.65)
Profit/(Loss) for the year 2022-23		(3,172.69)
Other comprehensive income for the year		-
As at 31st March, 2023		(11,375.34)

As per our report of even date attached
For K A S G & CO.
 Chartered Accountants
 Firm Reg. No. 002228C

For and on behalf of the Board

R.B. Sharma
 Partner
 Mem. No. 075701
 Gurugram, 26th May, 2023

Jogendra
 Company Secretary
 Mem. No. A-54391

Manoj Khattar
 Chief Financial Officer
 DIN: 00694981

Amrishpal Singh
 Managing Director
 DIN: 02735647

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Particular	Rs. in Thousand	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(3,172.69)	(2,833.56)
<i>Adjustment for :</i>		
Depreciation and amortisation expense	-	-
Operating profit/(loss) before Working Capital Changes	(3,172.69)	(2,833.56)
<i>Movements in working capital:</i>		
Decrease/ (increase) in Other assets	(342.02)	(351.41)
Increase/ (decrease) in trade payables	476.18	(321.89)
Increase/ (decrease) in other current financial liabilities	(1,142.17)	870.86
Increase/ (decrease) in other current liabilities	1,357.80	3,031.20
Increase/ (decrease) in short term provisions	1.45	0.23
Increase/ (decrease) in long term provisions	(3.58)	6.66
Cash generated / (used in) from operations	(2,825.03)	402.09
Income tax paid (Net)	102.66	(126.12)
Net cash generated / (used in) from operating activities - (A)	(2,722.37)	275.97
B. CASH FLOWS FROM INVESTING ACTIVITIES	-	-
Net cash from/ (used in) investing activities - (B)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net cash from/ (used in) financing activities - (C)	-	-
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(2,722.37)	275.97
Cash and cash equivalents as at beginning of the year	6,689.82	6,413.85
Cash and cash equivalents as at the end of the year	3,967.45	6,689.82
Components of cash and cash equivalents:		
Cash on hand	77.52	50.63
Balances with banks	3,889.93	6,639.19
Cash and cash equivalents in cash flow statement (refer note 6)	3,967.45	6,689.82

Note: The above statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of cash Flows.

As per our report of even date attached

For K A S G & CO.

Chartered Accountants
Firm Reg. No. 002228C

For and on behalf of the Board

R.B. Sharma

Partner
Mem. No. 075701

Gurugram, 26th May, 2023

Jogendra

Company Secretary
Mem. No. A-54391

Manoj Khattar

Chief Financial Officer
DIN: 00694981

Amrishpal Singh

Managing Director
DIN: 02735647

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

1.1 CORPORATE INFORMATION

Bhartiya International SEZ Limited ('the Company') is a public limited company promoted by Bhartiya International Limited with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company has its registered office at New Delhi. The Company is a developer of an integrated Leather & Leather Products Sector Specific Special Economic Zone at Tada, Nellore District, Andhra Pradesh.

1.2 BASIS OF PREPARATION

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

Property, Plant and Equipments are stated at acquisition cost net of accumulated depreciation amortisation, if any . Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost. Subsequent costs for bringing the assets to its working condition for its intended use are included in the asset's carrying amount.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II of companies act ,2013.

b) Inventories

Inventories of land is valued at cost which comprises cost of Land, Materials, Services and Overheads directly related to development of land.

c) Cash & Cash Equivalent

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

d) Revenue Recognition

Revenue from Services

Revenue from services is recognised in the accounting period in which the services are rendered.

Interest Income

Interest income on fixed deposits with banks is recognized/accounted on accrual basis.

e) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in other comprehensive income.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

NOTES (CONTD.)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

f) Provision and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

g) Employee Benefits**Defined Contribution Plan**

Contributions to defined contribution schemes such as employees state insurance is charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Plan as the Company has no further obligations beyond the monthly contributions.

Defined Benefit Plan

Gratuity is a defined benefit obligation. The Company accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary.

h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Debt Instruments:

Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(a) Measured at Amortised Cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(b) Measured at Fair Value through other Comprehensive Income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

NOTES (CONTD.)**(c) Measured at fair value through profit or loss:**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity Instruments:

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities**Initial Recognition and Measurement**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other Payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are generally unsecured. Trade and other payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

i) Critical Estimates and Judgements -

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical Estimates or judgement are:

Estimation of Defined benefit obligation

Useful lives of depreciable assets

Provision and contingent liability

NOTES (CONTD.)**2. PROPERTY, PLANT AND EQUIPMENT****Rs. in Thousand**

Particulars	Buildings	STP	Furniture and Fixtures	Office Equipment	Total
Gross Carrying Amount					
Balance as at April 1, 2021	6,291.55	1,728.67	30.94	3.70	8,054.86
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2022	6,291.55	1,728.67	30.94	3.70	8,054.86
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2023	6,291.55	1,728.67	30.94	3.70	8,054.86
Accumulated Depreciation					
Balance as at April 1, 2021	5,573.63	1,578.07	27.49	2.09	7,181.04
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2022	5,573.63	1,578.07	27.49	2.09	7,181.28
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2023	5,573.63	1,578.07	27.49	2.09	7,181.28
Net Carrying Amount					
Balance as at 31st March, 2022	717.92	150.60	3.45	1.61	873.58
Balance as at 31st March, 2023	717.92	150.60	3.45	1.61	873.58

3. OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Security Deposit & Others	90.00	90.00
TOTAL	<u>90.00</u>	<u>90.00</u>

4. OTHER NON CURRENT ASSETS

(a) Prepaid Expenses	720.00	485.00
TOTAL	<u>720.00</u>	<u>485.00</u>

5. INVENTORIES

Land and Land Development Cost	1,25,611.59	1,25,611.59
TOTAL	<u>1,25,611.59</u>	<u>1,25,611.59</u>

NOTES (CONTD.)**Rs. in Thousand****6. CASH AND CASH EQUIVALENT**

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Balances with Banks		
In current accounts	823.25	830.92
In deposit accounts	3,066.68	5,808.27
b) Cash on Hand	77.52	50.63
TOTAL	<u>3,967.45</u>	<u>6,689.82</u>

7. OTHER CURRENT ASSETS

a) Prepaid Expenses	180.00	30.00
b) GST Receivable	428.53	471.51
TOTAL	<u>608.53</u>	<u>501.51</u>

8. SHARE CAPITAL**Authorised Share Capital**

a) 20,000,000 (31st March, 2022: 20,000,000) Equity Shares of Rs 10/- Each	2,00,000.00	2,00,000.00
	<u>2,00,000.00</u>	<u>2,00,000.00</u>

Issued, Subscribed & Paid up :

a) 13,569,230 (31st March, 2022: 13,569,230) Equity Shares of 10/- Each Fully Paid up	1,35,692.30	1,35,692.30
Total	<u>1,35,692.30</u>	<u>1,35,692.30</u>

8.1 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 Amount (Rs.)	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 Amount (Rs.)
Shares outstanding at the beginning of the year	1,35,69,230	1,35,692.30	1,35,69,230	1,35,692.30
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>1,35,69,230</u>	<u>1,35,692.30</u>	<u>1,35,69,230</u>	<u>1,35,692.30</u>

8.2 The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per shares. In the event of liquidation of the Company, the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.

8.3 The details of Shareholders holding more than 5% shares

Name of the Share holders	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 % of Holding	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 % of Holding
(a) Bhartiya International Ltd.	1,20,69,230	88.95	1,20,69,230	88.95
(b) Andhra Pradesh Industrial & Infrastructure Corporation Ltd.	15,00,000	11.05	15,00,000	11.05

NOTES (CONTD.)8.4 Shares held by holding company and subsidiaries of holding company in aggregate **Rs. in Thousand**

Particulars	As at	As at
	31st March, 2023 No. of Shares	31st March, 2022 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	1,20,69,230	1,20,69,230

8.5 Share held by promoter at 31st March, 2023

Promoter Name	No. of Shares	% of Total Shares	% Change during the year
1 Bhartiya International Limited	1,20,69,224	88.95%	-
2 Snehdeep Aggarwal (nominee of Bhartiya International Limited)	1	-	-
3 Arjun Aggarwal (nominee of Bhartiya International Limited)	1	-	-
4 C.L. Handa (nominee of Bhartiya International Limited)	1	-	-
5 Ashok Kumar Gadhok (nominee of Bhartiya International Limited)	1	-	-
6 Manoj Khattar (nominee of Bhartiya International Limited)	1	-	-
7 Amrishpal Singh (nominee of Bhartiya International Limited)	1	-	-

9. OTHER EQUITY

Particulars	Retained Earning	Total
Balance as at 31st March 2021	(5,370.29)	(5,370.29)
Profit/(Loss) for the year	(2,833.56)	(2,833.56)
Other comprehensive income for the year	1.20	1.20
Balance as at 31st March 2022	(8,202.65)	(8,202.65)
Profit/(Loss) for the year	(3,172.69)	(3,172.69)
Other comprehensive income for the year	-	-
Balance as at 31st March 2023	(11,375.34)	(11,375.34)

10. NON CURRENT PROVISIONS

Particulars	As at	As at
	31st March, 2023	31st March, 2022
(a) Provision for Employees Benefit	3.90	7.48
TOTAL	<u>3.90</u>	<u>7.48</u>

11. TRADE PAYABLE

(a) Payable to Micro & Small Enterprises	-	-
(b) Payable to Others	476.18	-
TOTAL	<u>476.18</u>	-

11.1 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

NOTES (CONTD.)**12. OTHER CURRENT FINANCIAL LIABILITIES** **Rs. in Thousand**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Due to employee	21.08	48.60
(b) Expenses payable	1,010.18	2,305.95
(c) Statutory Dues Payable	48.87	27.14
(d) Other Payable	159.39	-
TOTAL	<u>1,239.52</u>	<u>2,381.69</u>

13. PROVISIONS

(a) Provision for Employees Benefits	25.30	23.85
TOTAL	<u>25.30</u>	<u>23.85</u>

14. OTHER CURRENT LIABILITIES

(a) Advance from Related Party	5,927.02	4,569.22
TOTAL	<u>5,927.02</u>	<u>4,569.22</u>

15. REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
(a) Service Charges	4,755.39	4,586.08
TOTAL	<u>4,755.39</u>	<u>4,586.08</u>

16. OTHER INCOME

(a) Interest Income on		
- Bank Deposit	236.13	344.05
- Income Tax Refund	13.80	-
(b) Excess Provision Written off	314.44	-
TOTAL	<u>564.37</u>	<u>344.05</u>

17. EMPLOYEE BENEFIT EXPENSES

(a) Salary & Allowances	564.29	517.00
(b) Contribution to Provident & Other Fund	5.90	14.92
TOTAL	<u>570.19</u>	<u>531.92</u>

NOTES (CONTD.)**18. OTHER EXPENSES****Rs. in Thousand**

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
(a) Legal And Professional Charges	1,922.64	1,508.38
(b) Auditors Remuneration	30.00	30.00
(c) Bank Charges	16.65	1.69
(d) Rates Taxes & Duties	288.62	62.52
(e) Travelling	23.07	41.71
(f) Conveyance Expenses	23.00	17.23
(g) Fees & Subscription	111.38	113.10
(h) Security Expenses	4,509.24	4,113.97
(i) Business promotion	104.27	144.86
(j) Postage & Courier	-	0.60
(k) Service charges to Authorities	889.43	889.43
(l) Other Expenses	3.96	8.28
(m) Balance Written off	-	300.00
TOTAL	<u>7,922.26</u>	<u>7,231.77</u>

19.1 EARNING PER SHARE

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
a) Net Profit/(loss) for the year	(3,172.69)	(2,833.56)
b) Weighted Average Shares Outstanding during the year	1,35,69,230	1,35,69,230
c) Basic/Diluted earnings Per Share	(0.23)	(0.21)

19.2 Auditor's Remuneration

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	30.00	30.00

19.3 In the opinion of the management of the company, profits of the company earned as a SEZ developer qualifies for the deduction under section 80IAB of the Income Tax Act 1961, however the Provisions of Section 115JB(MAT) of the Income Tax Act 1961 applies on the Book Profits of the Company. During the year provision under Section 115JB of the Income Tax Act 1961, is not required to be made in view of loss during the year.

NOTES (CONTD.)

19.04 A demand of Rs. 24.56 Lacs for the A.Y. 2015-16 raised suomoto by the income tax department by ordering under section 154 in respect to earlier order passed under section 143(3) is appearing on the income tax portal which in the opinion of the management is erroneous. Order of the same is yet to be received.

19.5 Related Party Disclosures

i) **Name of Related Parties & Nature of Relationship**

Bhartiya International Limited - Holding Company **Rs. in Thousand**
Mukul Harmilapi - Non-Executive Director

Particulars	Current Year Rs.	Previous Year Rs.
ii) Transactions during the year with Related Parties:		
Service Charges Received		
Bhartiya International Limited	4,755.39	4,586.08
Professional Charges Paid		
Mukul Harmilapi	1,250.00	1,467.88
iii) Balances Outstanding at the year end:		
Advances Received		
Bhartiya International Limited	5,927.02	4,569.22

19.6 Employee Benefits Plans

The details of various employee benefits provided to employees are as under:

a) Defined Contribution Plans

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Employees State Insurance Corporation	5.90	8.26

b) Defined Benefit Plans

The Defined benefit plan of the Company includes entitlement of gratuity for each year of service until the retirement age.

i) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Principal Assumptions	As at 31st March, 2023	As at 31st March, 2022
Discount Rate	7.25%	7.35%
Salary increase Rate	5.00%	5.00%
In service Mortality	IALM (2012-14)	IALM (2012-14)

ii) Amounts recognised in statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Current Services Cost	9.41	6.52
Interest Cost	0.55	0.14
Components of defined Benefit costs recognised in Profit or Loss	<u>9.96</u>	<u>6.66</u>
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses on obligation for the year	(7.58)	(1.20)
Net (Income)/Expenses for the year ended recognized in OCI	<u>(7.58)</u>	<u>(1.20)</u>

NOTES (CONTD.)**Rs. in Thousand**iii) **The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit obligation:**

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Present Value of defined benefit obligation	9.85	7.47

iv) **Movements in the present value of the defined benefit obligation are as follows:**

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Opening defined benefit obligation	7.47	2.01
Current Service Cost	9.41	6.52
Interest Cost	0.55	0.14
Actuarial (gains)/ losses	(7.58)	(1.20)
Actual Benefit Paid	-	-
Closing defined benefit obligation	<u>9.85</u>	<u>7.47</u>

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumptions as at March 31, 2023 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	8.90	10.95
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	10.97	8.88
A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 is as follows:		
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	6.72	8.35
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	8.37	6.70
The sensitivity analysis alone has been determined on the basis of actuarial certificate	-	-

20.07 Fair Value Measurement:

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.

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

Trade receivables, cash and cash equivalents, other bank balances, 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.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

The following is the basis for categorising the financial instruments measured at fair value into Level 1 to Level 3 :

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using 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: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES (CONTD.)

Particulars	Rs. in Thousand			
	As at 31st March, 2023			
	Carrying Amount	Level of input used in		
	Level 1	Level 2	Level 3	
Financial Assets				
At Amortised Cost				
Other Financial Assets	90.00	-	-	90.00
Cash & Cash Equivalents	3,967.45	-	-	3,967.45
Financial Liabilities				
At Amortised Cost				
Trade Payables	476.18	-	-	476.18
Other Financial Liabilities	1,239.52	-	-	1,239.52
<hr/>				
Particulars	As at 31st March, 2022			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Other Financial Assets	90.00	-	-	90.00
Cash & Cash equivalents	6,689.82	-	-	6,689.82
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	2,381.69	-	-	2,381.69

20.08 Financial Risk Management

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include credit risk and liquidity risk .

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in debt instruments/bonds, trade receivables, loans and advances. None of the financial instruments of the Company result in material concentrations of credit risks.

Liquidity Risk

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

The surplus funds with the Company and operational cash flows will be sufficient to dispose the financial liabilities within the maturity period.

NOTES (CONTD.)**Maturity Profile of Financial Liabilities****Rs. in Thousand**

Particulars	As at 31st March, 2023			
	0-1 year	1-5 year	Beyond 5 year	Total
Trade Payable	476.18	-	-	476.18
Other Current Liabilities	1,239.52	-	-	1,239.52

Particulars	As at 31st March, 2022			
	0-1 year	1-5 year	Beyond 5 year	Total
Other Current Liabilities	2,381.69	-	-	2,381.69

Market Risk

Company has no foreign currency exposure and does not have hedge position in currency market, thus Company does not foresee any market risk.

20.9 Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	16.99	19.07	-12.23%	
Return on Equity	Net Profits after taxes	Average Shareholder Equity	-2.55%	-2.22%	12.91%	
Net Capital Turnover Ratio	Revenue	Working Capital	(0.03)	(0.02)	13.11%	
Net Profit Ratio	Net Profits	Revenue	-66.72%	-61.79%	7.39%	

20.10 Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of profit and loss as specified in Schedule III to the Act is either 'nil' or 'not applicable' to the Company for the year.

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

For and on behalf of the Board

R.B. Sharma

Partner

Mem. No. 075701

Gurugram, 26th May, 2023

Jogendra

Company Secretary

Mem. No. A-54391

Manoj Khattar

Chief Financial Officer

DIN: 00694981

Amrishpal Singh

Managing Director

DIN: 02735647

BOARD'S REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2023.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2023 are as follows:

(Rs. in Thousands)

Particulars	2022-23	2021-22
Total Income	600.00	1055.34
Total Expenditure	405.76	933.89
Profit/ (loss) for the year	190.46	135.42

PERFORMANCE REVIEW

During the year under review, the total income was reported at Rs. 600.00 thousand as against Rs. 1055.34 thousand in the previous year. The Net Profit after tax was reported at Rs. 190.46 thousand as compared to profit of Rs. 135.42 thousand last year.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2023.

RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

SHARE CAPITAL

During the year under review, no changes had taken place in the Share Capital of the Company.

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associate Company.

ANNUAL RETURN

Currently Company does not have any website.

DIRECTORS

Mr. Manoj Khattar, Mr. Ashok Kumar Gadhok and Mr. Vinod Kumar Sandal continue to be the Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Ashok Kumar Gadhok (DIN: 01254410), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2022-23, Five Board Meetings of the Company were held. The details of the Meetings of the Board held during the financial year 2022-23 is provided below:

Date of Board Meetings	Name of Directors Presents			
	Mr. Manoj Khattar	Mr. C. L. Handa#	Mr. Ashok Kumar Gadhok	Mr. Vinod Kumar Sandal#
28.05.2022	Present	Present	Present	N.A.
10.08.2022	Present	Absent	Present	N.A.
10.11.2022	Present	Absent	Present	N.A.
15.11.2022	Present	Absent	Present	Present
10.02.2023	Present	N.A.	Present	Present

#Mr. Vinod Kumar Sandal was appointed as a Director w.e.f. 15th November, 2022 and Mr. C. L. Handa resigned from the Board of Directors w.e.f 16th November, 2022.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties is provided in form AOC-2.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2023 and of the profits of the company for the year ended on that date;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis; and
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATUTORY AUDITORS AND AUDITORS REPORT

M/s. Sushil Poddar & Co., Chartered Accountants (Firm Registration No. 014969N) had been appointed as the Statutory Auditors of the Company to hold office from 13th Annual General Meeting upto 18th Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7th May, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 14th Annual General Meeting.

COST AUDIT AND MAINTENANCE OF COST RECORD

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2022-23.

Hence maintenance of cost records as specified by the Central Government, under sub-section 1 of section 148 of the Companies Act, 2013 is not required.

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your Company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

The Company has adequate risk management processes to identify and notify the board of directors about the risks or opportunities that could have an adverse impact on the Company's operations or that could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities.

HUMAN RESOURCES

Your company's philosophy has always been based on progressive and continuous improvement, whether in business or any other function. We have given utmost importance to our human resources and believe in upgrading the skill, knowledge in the respective areas which has helped your company to foster a positive culture and transparency in the system.

Your company firmly believes that people are its most valued asset, and the focus is to retain and sustain a highly qualified and diverse work force.

PARTICULARS OF EMPLOYEES:

There were no employees on the payrole of the Company during the year under review

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

a. **Conservation of Energy**

The same is not applicable to your Company

b. **Technology Absorption**

The same is not applicable to your Company

c. **Foreign Exchange Earnings & Outgo**

There is no Foreign Exchange Earnings and Outgo.

ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. Since the Company no employee, therefore there is no requirement of formulating Internal Complaint Committee and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

PUBLIC DEPOSIT

The Company has neither invited/nor accepted any deposits during the year within the meaning of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposit) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2023 and date of this report of the company which affects the financial position of the company.

ACKNOWLEDGEMENTS:

Your Directors are highly grateful for all the help, guidance and support received from the valued customers, suppliers, vendors, other business associates, various government and local authorities as well as the various Banks.

The Board places on record its appreciation for the devoted and dedicated services rendered by all the employees in taking the Company forward.

For and on behalf of the Board

Manoj Khattar

Director

DIN:00694981

Vinod Kumar Sandal

Director

DIN: 09792105

New Delhi, 10th August, 2023

FORM NO. AOC -2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis. **N.A.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

Details of material contracts or arrangements or transactions at Arm's length basis.

(Amount in INR)

S. N.	Name of the Related Party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts / arrangements / transactions including the value, if any	Amount paid as advances, if any
1	Bhartiya International Limited	Designing Charges	Ongoing basis	Rs. 6,00,000/-	-

INDEPENDENT AUDITOR’S REPORT

To the Members of

Bhartiya Fashion Retail Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Bhartiya Fashion Retail Limited** ('the Company'), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow 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 financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statement and our auditor's report there on.

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

In connection with our audit of the financial statement our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our 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.

Board of Directors and Management's Responsibility for the Financial Statements

The Company's Board of Directors and the Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind As") specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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 financial statement, 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 statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement 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 the internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, based on our audit 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 purposes 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, the Statement of Profit and Loss (including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided for managerial remuneration.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position;
 - 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.
 - iv)
 - a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
 - v) The company has not declared or paid dividend during the year.

for SUSHIL PODDAR & CO.
 Chartered Accountants
 Firm's Registration No. 014969N

S.K. PODDAR
 Partner
 Mem. No. 094479
 UDIN: 23094479BGUZCU9104
 New Delhi, 29th May, 2023

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2023, we report that:

- I According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.
- II (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.
 (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- III According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- IV According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Hence, reporting under clause 3(iv) of the Order is not applicable.
- V The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- VI According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- VII (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.
 According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.
 (b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- IX (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
 (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 (e) The company does not have any subsidiaries, associates or joint venture. Hence reporting under clause 3(ix)(e) of the Order is not applicable.
 (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

- X (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- XI (a) No fraud by the Company or on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle blower complaints received by the company during the year.
- XII The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- XIII In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards
- XIV Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.
- Xv In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- Xvi (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- Xvii The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- XVIII There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- XIX On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 23094479BGUZCU9104

New Delhi, 29th May, 2023

ANNEXURE - B TO THE AUDITORS' REPORT

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 Bhartiya Fashion Retail Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk

that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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 SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 23094479BGUZCU9104

New Delhi, 29th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. in Thousand

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I Assets			
1 Non - Current Assets			
(a) Financial Assets			
(i) Other financial Assets	2	10.00	10.00
2 Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	3	754.04	769.25
(b) Other Current Assets	4	1.98	3.78
(c) Current tax assets (Net)		227.20	168.60
Total Assets		<u>993.22</u>	<u>951.63</u>
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	5	5,000.00	5,000.00
(b) Other Equity	6	(4,070.83)	(4,261.29)
2 Liabilities			
Non - Current Liabilities			
(a) Provisions	7	-	34.28
3 Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	8	64.05	146.77
(b) Provisions	9	-	30.49
(c) Current Tax Liabilities (Net)		-	1.38
Total of Equity and Liabilities		<u>993.22</u>	<u>951.65</u>
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

Vinod Kumar Sandal

Director

DIN: 09792105

Manoj Khattar

Director

DIN: 00694981

New Delhi, 29th May, 2023

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note No.	Rs. in Thousand	
		Year Ended 31st March, 2023	Year Ended 31st March, 2022
INCOME			
Revenue from Operations	10	600.00	1,050.00
Other Income	11	-	5.34
Total Income		<u>600.00</u>	<u>1,055.34</u>
EXPENSES			
Employee Benefits Expense	12	367.21	886.93
Other Expenses	13	38.55	46.97
Total Expenses		<u>405.76</u>	<u>933.90</u>
Profit/ (Loss) before Tax		194.24	121.44
Tax Expenses			
i Current Tax		3.78	(13.97)
ii Deferred Tax		-	-
Profit / (Loss) for the year		<u>190.46</u>	<u>135.41</u>
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods :-			
a) Re-Measurement gain/(losses) on defined benefit plan		-	3.64
Total Comprehensive Income for the Year		<u>190.46</u>	<u>139.05</u>
Earnings per equity share of face value			
Basic (in Rupees)		0.38	0.27
Diluted (in Rupees)		0.38	0.27
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

Vinod Kumar Sandal

Director

DIN: 09792105

Manoj Khattar

Director

DIN: 00694981

New Delhi, 29th May, 2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

		Rs. in Thousand	
Particulars	Note No.	Equity Capital	
a) Equity Share Capital	5		
Balance as at 31st March, 2021		5,000.00	
Change in Equity Share Capital during the year 2021-22		-	
Balance as at 31st March, 2022		5,000.00	
Change in Equity Share Capital during the year 2022-23		-	
Balance as at 31st March, 2023		5,000.00	
<hr/>			
Particulars	Note No.	Retained Earning	
b) Other Equity	6		
Balance as at 31st March, 2021		(4,400.34)	
Profit/(Loss) for the year 2021-22		135.41	
Other Comprehensive Income for the year		3.64	
Balance as at 31st March, 2022		(4,261.29)	
Profit/(Loss) for the year 2022-23		190.46	
Other Comprehensive Income for the year		-	
Balance as at 31st March, 2023		(4,070.83)	

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

Vinod Kumar Sandal

Director

DIN: 09792105

Manoj Khattar

Director

DIN: 00694981

New Delhi, 29th May, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Particular	Rs. in Thousand	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	194.24	121.44
Adjustment for :		
Operating profit/(loss) before Working Capital Changes	194.24	121.44
Movements in working capital:		
Decrease/ (increase) in trade receivable	(1.98)	-
Decrease/ (increase) in Loans	-	90.00
Increase/ (decrease) in other current financial liabilities	(82.72)	84.96
Increase/ (decrease) in provisions	(64.77)	19.99
Cash (used in) / generated from operations	44.77	316.39
Income tax paid (Net)	59.98	15.85
Net cash (used in)/ generated from operating activities - (A)	(15.21)	300.54
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Security Deposit	-	-
Net cash from/ (used in) investing activities - (B)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from Short term borrowing	-	-
Net cash from/ (used in) financing activities - (C)	-	-
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(15.21)	300.54
Cash and cash equivalents as at beginning of the year	769.25	468.71
Cash and cash equivalents as at the end of the year	754.04	769.25
Components of cash and cash equivalents:		
Cash on hand	23.42	23.42
Balances with banks	730.62	745.83
Cash and cash equivalents in cash flow statement	754.04	769.25

Note: The above statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of cash Flows.

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

Vinod Kumar Sandal

Director

DIN: 09792105

Manoj Khattar

Director

DIN: 00694981

New Delhi, 29th May, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

1.1 CORPORATE INFORMATION

Bhartiya Fashion Retail Limited ('the Company') promoted by Bhartiya International Limited is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company has its registered office at New Delhi. The Company is in the business of trading of leather & textile products.

1.2 BASIS OF PREPARATION

These Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) Cash & Cash Equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

b) Revenue Recognition

Income from service charge is recognised on accrual basis

c) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in other comprehensive income.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

d) Employee Benefits

Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Defined Benefit Plan

Gratuity is a defined benefit obligation. The Company accounts for the gratuity liability, based upon the actuarial valuation performed in accordance with the Projected Unit Credit method carried out at the year end, by an independent actuary.

f) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

These include Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Fixed Deposits with Banks, Other financial assets and Investments.

Financial Assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified as measured at

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial Liabilities**Initial recognition and Measurement**

These include trade and other payables, loans and borrowings including Bank OD .

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

NOTES (CONTD.)**2. OTHER CURRENT FINANCIAL ASSETS** **Rs in Thousand**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured, Considered good)		
a) Security Deposit	10.00	10.00
TOTAL	<u>10.00</u>	<u>10.00</u>

3. CASH AND CASH EQUIVALENTS

a) Balances with Banks		
- In current Accounts	730.62	745.83
b) Cash on Hand	23.42	23.42
TOTAL	<u>754.04</u>	<u>769.25</u>

4. OTHER CURRENT ASSETS

a) MAT Credit Entitlement	-	3.78
b) GST Receivable	1.98	-
TOTAL	<u>1.98</u>	<u>3.78</u>

5. SHARE CAPITAL**Authorised Share Capital :**

a) 500,000 (Previous Year 500,000) Equity Shares of Rs.10/- each	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>

Issued, Subscribed & Paid up :

a) 500,000 (Previous Year 500,000) Equity Shares of Rs.10/- each, Fully Paid Up	5,000.00	5,000.00
TOTAL	<u>5,000.00</u>	<u>5,000.00</u>

5.1 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at		As at	
	31st March, 2023 No. of Shares	31st March, 2023 Amount (Rs.)	31st March, 2022 No. of Shares	31st March, 2022 Amount (Rs.)
Shares outstanding at the beginning of the year	5,00,000	5,000	5,00,000	5,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	5,00,000	5,000	5,00,000	5,000

5.2 The Company has only one class of equity shares having a par value of Rs. 10/- per equity share. Each holder of equity shares is entitled to one vote per shares. In the event of liquidation of the Company, the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.

5.3 The details of Shareholders holding more than 5% shares:

Name of the share holders	As at		As at	
	31st March, 2023 No. of Shares	31st March, 2023 % of Holding	31st March, 2022 No. of Shares	31st March, 2022 % of Holding
(a) Bhartiya International Ltd.	5,00,000	100.00	5,00,000	100.00

NOTES (CONTD.)**Rs in Thousand**

5.4 Shares held By Holding Company and Subsidiaries of holding Company in Aggregate:

Particulars	As at 31st March, 2023 No. of Shares	As at 31st March, 2022 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	5,00,000	5,00,000

5.5 Share held by promoter at 31st March, 2023

Name of the share holders	No. of Shares at the beginning of the year	Change During the year	No. of Shares at the end of the year	% of Total Shares	% Change during the year
(a) Bhartiya International Ltd.	5,00,000	-	5,00,000	100	-

6. OTHER EQUITY

Particulars	Retained Earning	Total
Balance as at 31st March, 2021	(4,400.34)	(4,400.34)
Profit for the year	135.41	135.41
Other Comprehensive Income for the year	3.64	3.64
Balance as at 31st March, 2022	(4,261.29)	(4,261.29)
Profit for the year	190.46	190.46
Other Comprehensive Income for the year	-	-
Balance as at 31st March, 2023	(4,070.83)	(4,070.83)

7. NON-CURRENT PROVISION

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Provision for Employee Benefit	-	34.28
TOTAL	-	34.28

8. OTHER CURRENT FINANCIAL LIABILITIES

(a) Expenses Payable	64.05	18.40
(b) Statutory Dues Payable	-	63.47
(c) Due to Employee	-	64.90
TOTAL	64.05	146.77

9. CURRENT PROVISION

(a) Provision for Employee Benefit	-	30.49
TOTAL	-	30.49

NOTES (CONTD.)**10. REVENUE FROM OPERATIONS** **Rs in Thousand**

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
a) Designing Charges	600.00	1,050.00
TOTAL	<u>600.00</u>	<u>1,050.00</u>

11. OTHER INCOME

a) Interest Income	-	5.34
TOTAL	<u>-</u>	<u>5.34</u>

12. EMPLOYEE BENEFIT EXPENSES

(a) Salary & Allowances	367.21	872.65
(b) Gratuity Expenses	-	14.28
TOTAL	<u>367.21</u>	<u>886.93</u>

13. OTHER EXPENSES

(a) Audit fees	10.00	10.00
(b) Bank Charges	0.05	0.07
(c) Legal & Professional	15.00	14.00
(d) Rates Taxes & Duties	7.10	2.00
(e) Fee & Subscription	5.90	5.90
(f) Conveyance Expenses	0.50	15.00
TOTAL	<u>38.55</u>	<u>46.97</u>

13.1 Earning Per Share (EPS)

a) Net Profit/(loss) for the year	190.46	135.41
b) Weighted average number of Equity Shares outstanding during the year	5,00,000	5,00,000
c) Basic/Diluted Earning per share Rs.(a/b)	0.38	0.27

13.2 Auditor's Remuneration

Audit Fees	10.00	10.00
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13.3 Related Party Disclosures as per IND AS-24**i) Holding Company:**

Bhartiya International Limited

ii) Key Management Personnel:**Directors**

Manoj Khattar

C.L.Handa#

A.K. Gadhok

Vinod Kumar Sandal#

#Mr. Vinod Kumar Sandal was appointed as a Director w.e.f. 15th November, 2022 and Mr. C. L. Handa resigned from the Board of Directors w.e.f 16th November, 2022.

NOTES (CONTD.)

iii) Transactions during the year with related parties	Rs in Thousand	
	Particulars	2022-23
1 Designing Charges Received		
Bhartiya International Ltd	600.00	1,050.00

13.4 Fair Value Measurement

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.

The following Methods and Assumptions were used to Estimate the Fair Values:

Trade receivables, cash and cash equivalents, other bank balances, short term loan, 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.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

The following is the basis for categorising the financial instruments measured at fair value into Level 1 to Level 3:

Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: This level includes financial assets and liabilities, measured using 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: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	Rs in Thousand			
	As at 31st March, 2023			
	Level of input used in			
	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Cash & Cash Equivalents	754.04	-	-	754.04
Other Financial Assets	10.00	-	-	10.00
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	64.05	-	-	64.05

NOTES (CONTD.)**Rs in Thousand**

Particulars	As at 31st March, 2022			
	Level of input used in			
	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Other Financial Assets	10.00	-	-	10.00
Cash & Cash Equivalents	769.25	-	-	769.25
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	146.77	-	-	146.77

13.5 Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reason for variance
Current Ratio	Current assets	Current Liabilities	15.35	5.27	191.24%	Due to reduction in current Liability
Return on Equity	Net Profits after taxes	Average Shareholder Equity	22.84%	18.33%	24.60%	
Net Capital Turnover Ratio	Revenue	Working Capital	0.65	1.38	-52.63%	Due to reduction in Sale
Net Profit Ratio	Net Profits	Revenue	31.74%	12.90%	146.07%	Net profit increase in current financial Year.

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

Vinod Kumar Sandal

Director

DIN: 09792105

Manoj Khattar

Director

DIN: 00694981

New Delhi, 29th May, 2023

BOARD'S REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2023.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2023 are as follows:

Rs. in Thousands

Particulars	2022-23	2021-22
Total Income	0.00	50.07
Expenditure	31.50	26.61
Profit/ (loss) for the year	(31.50)	17.36

PERFORMANCE REVIEW

During the year under review, the Company incurred loss of Rs. 31.50 thousand.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2023.

RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

SHARE CAPITAL

There are no changes in the capital structure of the Company during the period under review.

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any Subsidiary or Associate Company.

ANNUAL RETURN

Currently Company does not have any website.

DIRECTORS

The Board of Directors comprises of Mr. Manoj Khattar, Mr. Sandeep Seth and Mr. Ashok Kumar Gadhok as Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Ashok Kumar Gadhok (DIN: 01254410), Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022–23, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2022–23 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. Sandeep Seth	Mr. A. K. Gadhok
28/05/2022	Present	Present	Present
10/08/2022	Present	Present	Present
10/11/2022	Present	Present	Present
10/02/2023	Present	Present	Present

STATUTORY AUDITORS

M/s. Sushil Poddar & Co., Chartered Accountants (Firm Registration No. 014969N) had been appointed as the Statutory Auditors of the Company to hold office from 6th Annual General Meeting upto 11th Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7th May, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 8th Annual General Meeting.

AUDITORS REPORT

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your company.

SECRETARIAL AUDIT

The same is not applicable to your company.

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2022-23.

Hence maintenance of cost records as specified by the Central Government, under sub-section 1 of section 148 of the Companies Act, 2013 is not required.

PARTICULAR OF EMPLOYEES

There were no employees on the payroll of the Company during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

Details of Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to Financial Statements.

RELATED PARTY TRANSACTIONS

There were no related party transactions for the financial year 2022-23.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2023 and of the profits of the company for the year ended on that date;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis; and
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**a) Conservation of Energy**

The same is not applicable to your Company

b) Technology absorption

The same is not applicable to your Company

c) Foreign Exchange Earnings & Outgo

The same is not applicable to your Company

PUBLIC DEPOSIT

The Company has neither invited/nor accepted any deposits during the year within the meaning of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposit) Rules, 2014.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

The Company has adequate risk management process to identify and notify the board of directors about the risk or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the gains. The process and procedures are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the Board of Directors.

ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances environmental regulations and preservation of natural resources.

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. Since the Company has no employee, therefore there is no requirement of formulating Internal Complaint Committee and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2023 and date of the report of the Company which affects the financial position of the Company.

ACKNOWLEDGEMENTS:

Your Directors are highly grateful for all the help, guidance and support received from the business associates, various government and local authorities as well as the various Banks.

For and on behalf of the Board

A. K. Gadhok
Director
DIN. 01254410

Manoj Khattar
Director
DIN. 00694981

New Delhi, 10th August, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of

Bhartiya Urban Infrastructure Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bhartiya Urban Infrastructure Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow 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 financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statement and our auditor's report there on.

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

In connection with our audit of the financial statement our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained during the course of our 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.

Board of Directors and Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind As") specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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 financial statement, 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 statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement 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 the internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, based on our audit 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 purposes 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, the Statement of Profit and Loss (including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided for managerial remuneration.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position;
 - 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.
 - iv)
 - a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v) The company has not declared or paid dividend during the year.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 23094479BGUZCS5468

New Delhi, 29th May, 2023

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2023, we report that:

- I According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any property plant and equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clauses 3(i)(a) to 3(i)(e) of the Order are not applicable to the Company.
- II (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the Company does not have any inventory and hence clause 3(ii)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- III According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- IV According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act. Hence, reporting under clause 3(iv) of the Order is not applicable.
- V The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- VI According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- VII (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1st July, 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any statutory dues which are required to be deposited with the appropriate authorities. Accordingly, clause 3(vii)(a) of the Order is not applicable to the Company.

 - (b) According to the information and explanations given to us, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- viii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
 - (e) The company does not have any subsidiaries, associates or joint venture. Hence reporting under clause 3(ix)(e) of the Order is not applicable.

- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- X (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- XI (a) No fraud by the Company or on the company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle blower complaints received by the company during the year.
- XII The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- XIII According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions with the related parties during the year.
- XIV Based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Companies Act, 2013.
- Xv In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- Xvi (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- Xvii The Company has incurred a cash loss of Rs. 31.50 Thousand in the current year and there was no cash loss in the immediately preceding financial year.
- XVIII There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- XIX On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX The requirements as stipulated by the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 23094479BGUZCS5468

New Delhi, 29th May, 2023

ANNEXURE - B TO THE AUDITORS' REPORT

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 Bhartiya Urban Infrastructure Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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 SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 23094479BGUZCS5468

New Delhi, 29th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Rs. in Thousand

Particulars	Note No.	Rs. in Thousand	
		As at 31st March, 2023	As at 31st March, 2022
I Assets			
1 Non - Current Assets			
(a) Financial Assets			
(i) Other Financial Assets	2	10.00	10.00
2 Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	3	279.08	311.68
Total Assets		<u>289.08</u>	<u>321.68</u>
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	4	500.00	500.00
(b) Other Equity	5	(215.93)	(184.43)
2 Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	6	5.01	5.00
(b) Current Tax Liabilities		-	1.11
Total of Equity and Liabilities		<u>289.08</u>	<u>321.68</u>
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Rs. in Thousand

Particulars	Note No.	Rs. in Thousand	
		Year Ended 31st March, 2023	Year Ended 31st March, 2022
Income			
Revenue from Operations	7	-	50.00
Other Income	8	-	0.07
Total Income		-	50.07
EXPENSES			
Other Expenses	9	31.50	26.61
Total Expenses		31.50	26.61
Tax Expenses			
Profit/ (Loss) before Tax		(31.50)	23.46
i Current tax	10	-	6.10
ii Deferred tax		-	-
Profit / (Loss) for the year		<u>(31.50)</u>	<u>17.36</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		<u>(31.50)</u>	<u>17.36</u>
Earnings per Equity Share of Rs. 10/- each			
Basic/Diluted (in Rupees)		(0.63)	0.35
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

S. K. Poddar

Partner

Mem.No. 094479

Gurugram, 29th May, 2023

For and on behalf of the Board**A.K. Gadhok**

Director

DIN: 01254410

Manoj Khattar

Director

DIN:00694981

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note No.	Rs. in Thousand
		Equity Capital Amount (Rs.)
a) Equity Share Capital	4	
Balance as at 31st March, 2021		500.00
Change in equity share capital during the year 2021-22		-
Balance as at 31st March, 2022		500.00
Change in equity share capital during the year 2022-23		-
Balance as at 31st March, 2023		500.00
Particulars		
		Retained Earning Amount (Rs.)
b) Other Equity	5	
As at 31st March, 2021		(201.79)
Profit/(Loss) for the year 2021-22		17.36
As at 31st March, 2022		(184.43)
Profit/(Loss) for the year 2022-23		(31.50)
As at 31st March, 2023		(215.93)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Rs. in Thousand	
	Year Ended 31st March, 2023	Year Ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and exception items	(31.50)	23.46
Adjusted for:	-	-
Operating profit before Working Capital Changes	(31.50)	23.46
Movements in working capital:		
Increase/ (decrease) in other liabilities	-	-
Cash Generated from Operations	(31.50)	23.46
Income tax paid (Net)	(1.10)	(3.77)
Net cash (used in)/ Generated from Operating Activities - (A)	(32.60)	19.69
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Security Deposit	-	-
Net cash from/ (used in) Investing Activities - (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from/ (used in) financing activities - (C)	-	-
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(32.60)	19.69
Cash and Cash Equivalents - Opening Balance	311.68	291.99
Cash and Cash Equivalents - Closing Balance	279.08	311.68

Note: The above statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of Cash Flows.

As per our report of even date attached
SUSHIL PODDAR & CO.
 Firm Registration No. 014969N
 Chartered Accountants

For and on behalf of the Board

S. K. Poddar
 Partner
 Mem.No. 094479

A.K. Gadhok
 Director
 DIN: 01254410

Manoj Khattar
 Director
 DIN:00694981

Gurugram, 29th May, 2023

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2023

1.1 CORPORATE INFORMATION

Bhartiya Urban Infrastructure Limited ('the Company') is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act . The Company has its registered office at Chennai and corporate office at Gurugram, Haryana. The Company is in the business of Infrastructure Development .

1.2 BASIS OF PREPARATION

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle (12 months) and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) Revenue from Services

Revenue from services is recognised in the accounting period in which the services are rendered.

b) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in other comprehensive income.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

NOTES (CONTD.)**2. OTHER NON-CURRENT FINANCIAL ASSETS** **Rs. in Thousand**

Particulars	As at 31st March, 2023	As at 31st March, 2022
(Unsecured & Considered Good)		
i) Security and Other Deposit	10.00	10.00
TOTAL	<u>10.00</u>	<u>10.00</u>

3. CASH AND CASH EQUIVALENT

i) Balances with Banks		
In Current Accounts	262.08	294.68
ii) Cash on Hand	17.00	17.00
TOTAL	<u>279.08</u>	<u>311.68</u>

4. SHARE CAPITAL**Authorised Share Capital**

a) 500,000 (31st March 2022: 500,000) Equity Shares of Rs.10/- each	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>

Issued, Subscribed & Paid up :

a) 50,000 (31st March 2022: 50,000) Equity Shares of Rs.10/- each, Fully Paid Up	500.00	500.00
	<u>500.00</u>	<u>500.00</u>

4.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 Amount (Rs)	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 Amount (Rs)
Shares outstanding at the beginning of the year	50,000	500.00	50,000	500.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500.00	50,000	500.00

4.2 The Company has only one class of equity shares having a par value of Rs. 10/- per equity share. Each holder of equity shares is entitled to one vote per shares. In the event of liquidation of the Company, the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.

4.3 The details of Shareholders holding more than 5% shares:

Name of the share holders	As at 31st March, 2023 No. of Shares	As at 31st March, 2023 % of Holding	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 % of Holding
(a) Bhartiya International Ltd.	50,000	100.00	50,000	100.00

4.4 Shares held By holding company and subsidiaries of holding company in aggregate:

Particulars	As at 31st March, 2023 No. of Shares	As at 31st March, 2022 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	50,000	50,000

NOTES (CONTD.)

5. Other Equity		Rs. in Thousand	
Particulars	Retained Earning	Total	
Balance as at 31st March 2021	(201.79)	(201.78)	
Profit for the year	17.36	17.36	
Other Comprehensive Income for the year	-	-	
Balance as at 31st March 2022	(184.43)	(184.43)	
Profit for the year	(31.50)	(31.50)	
Other Comprehensive Income for the year	-	-	
Balance as at 31st March 2023	(215.93)	(215.93)	

6. OTHER CURRENT FINANCIAL LIABILITIES			
Particulars	As at	As at	
	31st March, 2023	31st March, 2022	
(a) Expenses Payable	5.01	5.00	
TOTAL	<u>5.01</u>	<u>5.00</u>	

7. REVENUE FROM OPERATIONS		Rs. in Thousand	
Particulars	Year Ended	Year Ended	
	31st March, 2023	31st March, 2022	
(a) Consultancy Charges	-	50.00	
TOTAL	<u>-</u>	<u>50.00</u>	

8. OTHER INCOME			
(a) Interest on Income Tax Refund	-	0.07	
TOTAL	<u>-</u>	<u>0.07</u>	

9. OTHER EXPENSES			
(a) Audit Fees	5.00	5.00	
(b) Professional Charges	12.98	11.80	
(c) Rates & Taxes	13.40	9.80	
(d) Bank Charges	0.12	0.01	
TOTAL	<u>31.50</u>	<u>26.61</u>	

NOTES (CONTD.)

10. TAX EXPENSES	Particulars	Rs. in Thousand	
		Year Ended 31st March, 2023	Year Ended 31st March, 2022
	I) Current Tax		
	(a) Current Tax on taxable income for the year	-	6.10
	(b) Earlier year Tax	-	-
	TOTAL	-	<u>6.10</u>

11.1 Earning per share computed in accordance with the IND AS -33 is as under:

a) Net Profit/(loss) after tax available for equity shareholders	(31.50)	17.36
b) Weighted average number of Equity Shares of Rs. 10/- each	50,000.00	50,000.00
c) Basic/Diluted Earning per share Rs.(a/b)	(0.63)	0.35

11.2 Auditor's Remuneration

Audit Fees	5.00	5.00
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11.3 Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of profit and loss as specified in Schedule III to the Act is either 'nil' or 'not applicable' to the Company for the year.

11.4 Debit and credit balances are subject to their confirmation.

11.5 Financial Risk Management**Credit Risk**

Company has fully invested in Bank thus Company does not foresee any credit risk.

Liquidity Risk

Company has no borrowings thus Company does not foresee any liquidity risk.

Market Risk

Company has no foreign currency exposure and does not have hedge position in currency market, thus Company does not foresee any market risk.

11.6 Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	55.82	51.10	54.90	Due to reduce in current Liability
Return on Equity	Net Profits after taxes	Average Shareholder Equity	-10.51%	1.41%	0.03	

As per our report of even date attached
SUSHIL PODDAR & CO.
 Firm Registration No. 014969N
 Chartered Accountants

S. K. Poddar
 Partner
 Mem.No. 094479

Gurugram, 29th May, 2023

For and on behalf of the Board

A.K. Gadhok
 Director
 DIN: 01254410

Manoj Khattar
 Director
 DIN:00694981

DIRECTORS' REPORT

The sole director has pleasure in submitting his annual report together with the audited financial statements for the year ended 31st March, 2023.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was engaged in the export and import of garments, bags and related products.

RESULTS AND APPROPRIATIONS

The results of the Company for the year ended 31st March, 2023 and the state of the Company's affairs as at that date are set out in the financial statements,

The sole director does not recommend the payment of a dividend in respect for the year ended 31st March, 2023.

SHARE CAPITAL

Details of share capital of the Company are set out in Note 6 to the financial statements.

SOLE DIRECTOR

The sole director of the Company during the year and up to the date of this report was: Liu Qiongli

In accordance with the Company's Articles of Association, the director continues in office for the ensuing year.

BUSINESS REVIEW

The Company falls within the reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

MANAGEMENT CONTRACTS

The Company did not enter into any contract, other than the contract of service with the sole director or any person engaged in the full-time employment, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

EQUITY-LINKED AGREEMENT

The Company did not enter into any contract, other than the contract of service with the sole director or any person engaged in the full-time employment, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

DIRECTOR'S INTERESTS IN CONTRACTS

Save as disclosed in Note 7 to the financial statements, no other contract of significance in relation to the company's business to which the company, was a party and in which a sole director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

INDEMNITY OF THE SOLE DIRECTOR

Pursuant to the Article of the Company and subject to the provision permitted by the Company ordinance, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the company, a party to any arrangement to enable the sole director of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

AUDITOR

Akin CPA Limited retires and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Akin CPA Limited as auditor of the company is to be proposed at the forthcoming annual general meeting of the company.

For and on behalf of the Board

Liu Qiongli
Chairman

Hong Kong, 25th May, 2023

INDEPENDENT AUDITORS' REPORT

To
The Shareholder Of
World Fashion Trade Ltd.

(Incorporated in the Republic of Mauritius with limited liability)

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of World Fashion Trade Limited (the "Company"), which comprise the statement of financial position as at 31st March, 2023, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March, 2023, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis of Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

The director of the Company is responsible for the other information. The other information comprises all the information included in the Company's 2023 annual report other than the Financial Statements and our auditor's report thereon ("the Code").

Our opinion on the 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 Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Director's Responsibility and those charged with Governance for the Financial Statements

The sole director is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the sole director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the audit of Company's Financial Statement

Our objective is to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

Auditors' Responsibilities for the Audit of Company's Financial Statement (continued)

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the sole director of the company 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.

Akin CPA Limited
Certified Public Accountants

Sharma, Manish Narain
 Practicing Certificate Number: P05395

Hong Kong, 25th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	Note	31/3/2023	31/3/2022
		HK\$	HK\$
<u>ASSETS</u>			
Current Assets			
Trade Receivables			
Cash and Cash Equivalents		58,636	19,772
		<u>58,636</u>	<u>19,772</u>
Current Liabilities			
Amount due to Related Party	7(b)	1,52,600	-
Accruals		62,259	50,000
		<u>2,14,859</u>	<u>50,000</u>
Net Current (Liabilities)/ Assets		<u>(1,56,223)</u>	<u>(30,228)</u>
Net (Liabilities)/ Assets		<u>(1,56,223)</u>	<u>(30,228)</u>
Capital Deficiency			
Share Capital	6	54,80,570	54,80,570
Accumulated Losses	6	(56,36,793)	(55,10,798)
Total (Capital Deficiency)/ Equity		<u>(1,56,223)</u>	<u>(30,228)</u>

The accompanying Accounting policies and Explanatory notes form an integral part of and should be read in conjunction with these financial statements

For and on behalf of the Board

Liu Qiongli
Director

**STATEMENT OF PROFIT / LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2023**

Particulars	Note	31/3/2023	31/3/2022
		HK\$	HK\$
Other Income		495	5,482
Administrative Expenses		(1,26,490)	(1,63,045)
(Loss)/ Profit before Tax	4	<u>(1,25,995)</u>	<u>(1,57,563)</u>
Income Tax Expense	5	-	-
(Loss)/ profit for the year		<u>(1,25,995)</u>	<u>(1,57,563)</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Note	31/3/2023	31/3/2022
		HK\$	HK\$
Operating Activities			
Cash Flows from Operating Activities		(1,25,995)	(1,57,563)
(Loss)/ profit after Tax			
Adjustment for:		1,053	897
Interest Expenses and Bank Charges		(1,24,942)	(1,56,666)
Operating Loss		-	18,03,000
Decrease in accounts receivables		-	-
Decrease in amount due from Holding Company		1,52,600	(18,46,557)
Increase/ (decrease in amount due to related companies		12,259	(9,553)
Decrease in accrued expenses and other current liabilities		39,917	(2,09,776)
Net cash (used in) / Generated from Operating Activities		-	-
Financing Activities			
Interest expenses and Bank Charges		(1,053)	(897)
Net cash (used in)/from Financing Activities		(1,053)	(897)
Net (decrease)/ increase in cash and cash equivalents		38,864	(2,10,673)
Cash & cash equivalents at beginning of financial year		19,772	2,30,445
Cash & cash equivalents at end of Financial Year		58,636	19,772

The accompanying Accounting policies and Explanatory notes form an integral part of and should be read in conjunction with these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. REPORTING ENTITY

World Fashion Trade Limited (“the Company”) is a company incorporated in Republic of Mauritius with limited liability. Its holding company is Bhartiya International Limited, a public limited company incorporated in India and its shares are listed on National Stock Exchange of India. The registered office address of the Company Suite 308, St. James Court, St. Denis street, Port Louis, Mauritius and principal place of business is at 20/F, Champion Building, 287-291 Des Voeux Road Central, Sheung Wan, Hong Kong. The principal activity of the company during the year was engaged in export and import of garments, bags and related products.

The financial statements are presented in Hong Kong Dollars (HK\$), unless otherwise stated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

In preparing the financial statements, the director has given careful consideration to the future liquidity of the Company and its ability to meet its ongoing obligations in light of its adverse financial position as at 31 March, 2023. At that date, the Company had net current liabilities of HK\$156,223 and deficiency of assets of HK\$156,223.

The shareholder has confirmed that it will provide such financial assistance as is necessary to maintain the Company as a going concern. On the strength of this assurance, the financial statements have been prepared on a going concern basis.

Should the Company be unable to continue as a going concern, adjustments would have to be made to restate the values of the Company’s assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively.

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards for Private Entities (“HKFRSPE”) issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:

- (i) Sale of goods is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer.

(b) Foreign Exchange

Foreign currency transactions and foreign currency non-monetary items are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the balance sheet date. Gains and losses on foreign exchange are recognised in the income statement.

(c) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax is not provided.

(d) Trade and Other Receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

(e) Provisions and Contingent Liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Company present has present a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(g) Related Parties

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (I) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (II) An entity is related to the Company if any of the following conditions applies:
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) the entity is controlled or jointly controlled by a person identified in (I).
 - (vii) a person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(h) Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(i) Accounts Payable

Accounts payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

NOTES (CONTD.)

Particulars	31/03/2023	31/03/2022
	HK\$	HK\$

3. DIRECTOR'S EMOLUMENTS

Director's emoluments disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance are as follows:

Fees	-	-
Other Emoluments:	-	-
Salaries, Allowance and Benefits in kind Bonus	-	-
Employer's mandatory Provident Fund Scheme contribution	-	-

4. LOSS BEFORE TAX

(Loss)/ profit before tax arrived at:

After charging the following items: Auditor's remuneration

- Provision for the year Staff costs (excluding Director's emoluments – Note 3)	20,000	20,000
- Staff Salaries, Allowance and Related Cost	-	-
-Employer's mandatory Provident Fund Scheme Contribution	-	-

5. INCOME TAX EXPENSE

No Hong Kong profits tax has been provided in the financial statements as the Company did not derive any assessable profit in Hong Kong during the year.

No deferred taxation was provided during the year as there were no material temporary differences as the end of reporting year.

6. CHANGES IN EQUITY

	Share Capital	Accumulated Losses	Total
	HK\$	HK\$	HK\$
As at 31st March, 2022	5,480,570	(5,510,798)	(30,228)
Net loss for the year	-	(125,995)	(125,995)
As at 31st March, 2023	<u>5,480,570</u>	<u>(5,636,793)</u>	<u>(156,223)</u>

7. RELATED PARTY TRANSACTIONS

(a) The table below summaries the names of related parties and nature of relationship with the Company:

Related Parties	Relationship with the Company
Design Industry Ltd.	Fellow Subsidiary

NOTES (CONTD.)

(b) Balances with Related Parties

As at the respective balance sheet date, the Company had the following balances with related parties:

Particulars	31/03/2023	31/03/2022
	HK\$	HK\$
Current:	152,600	-
Amount due to Design Industry Ltd.		
	<u>152,600</u>	<u>-</u>

All the above balances with related parties are unsecured, interest-free and have no fixed terms of repayment.

8. HOLDING COMPANY

As at 31st March, 2023, the Company's ultimate holding company is Bhartiya International Limited, a public limited company incorporated in India and its shares are listed on National Stock Exchange of India. This entity produces financial statements available for public use.

9. CAPITAL RISK MANAGEMENT

The Company management manage its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of cash and cash equivalents, debt and equity attributable to equity holders of the Company, comprising issued share capital, share premium and accumulated profit.

The Director of the Company reviewed the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital.

10. LIQUIDITY RISK MANAGEMENT

In the management of the liquidity risk, the Company monitor and maintain a level of cash and cash equivalents considered adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The contractual maturity of the Company's trade and other payables are all due within one year and the amounts due to related parties are all repayable on demand.

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and the audited financial statements of the Company for the year ended 31st March, 2023

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were that of design & product development, marketing and distribution of garments.

FINANCIAL RESULTS

The results of the Company's operations for the period ended 31st March, 2023 and the state of affairs as on that date are dealt with in the financial statements. The directors do not recommend the payment of a dividend for the period ended 31st March, 2023.

DIRECTORS

Mr. Walter Willi Zwahlen held the office of directorship during the year.

Director

26th May, 2023

AUDITORS' REPORT

Report of the Statutory Auditors
on the Limited Statutory Examination to the general meeting of
Ultima SA, Neuchatel

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Ultima SA for the period from 1st April, 2022 to 31st March, 2023.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Revifidu SA

F. Ruaro
Auditor in Charge

Christian Erard

Neuchatel, 26th May, 2023

BALANCE SHEET AS AT 31st MARCH, 2023

Particulars	31.03.2023	31.03.2022
	CHE	CHE
ASSETS Short term assets		
Banks accounts	246,609.82	1,342,399.12
Debtors (Net of provision on debtors)	3,616,234.31	3,771,607.58
Advances to creditors	203,325.00	209,319.93
Debtors subsidiaries companies	18,862.54	91,999.98
C/a Bhartiya International Ltd.	288,134.85	-
Transitional and other debtors	49,630.56	18,862.12
Total Short Term Assets	4,422,797.08	5,434,188.73
Fixed Assets		
Tangibles Assets		
Furniture and computer	1.00	250.00
Financial Assets		
Rent Guaranty	6,090.00	6,090.00
Investments	2,480,930.00	2,480,930.00
Brands	5,501,374.40	7,334,374.40
Total Fixed Assets	7,988,394.40	9,821,394.40
Total Fixed Assets	7,988,395.40	9,821,644.40
TOTAL ASSETS	12,411,192.48	15,255,833.13
LIABILITIES AND EQUITY		
Liabilities		
Term loan from bank	3,530,148.22	3,982,502.00
Current liabilities		
Creditors	1,250,395.24	3,145,893.99
Creditors subsidiaries companies	2,176,610.27	656,901.22
C/a Bhartiya International Ltd.	-	312,058.08
Transitional and other liabilities	118,982.92	60,068.36
Total Current liabilities	3,545,988.43	4,174,921.65
Total Liabilities	7,076,136.65	8,157,423.65
Equity		
Share Capital	1,000,000.00	1,000,000.00
General Reserve	278,000.00	278,000.00
Retained Earnings	5,820,409.48	6,739,454.38
Net result of the period	(1,763,353.65)	(919,044.90)
Total equity	5,335,055.83	7,098,409.48
TOTAL LIABILITIES AND EQUITY	12,411,192.48	15,255,833.13

INCOME STATEMENT 2022/2023

Particulars	31.03.2023 CHF	31.03.2022 CHF
Revenues		
Sales to foreign customers	6,617,167.64	9'739'100.00
Commissions on sales	988,655.86	-
Hard case support Covid-19	-	3'356'433.96
Total Revenues	7,605,823.50	13'095'533.96
Merchandises Costs		
Costs of Goods	5,676,275.23	8,519,805.63
Total Merchandises Costs	5,676,275.23	8,519,805.63
Other Expenses		
Personal costs	69,897.87	58,050.10
Design and consultancy	1,127,042.96	2,016,465.49
Administration, rent and Directors	95,600.72	88,718.56
Audit and lawyers	45,654.97	39,458.22
Marketing, travel expenses	222,382.01	485,854.41
Total other expenses	1,560,578.53	2,688,546.78
Result before Interests, Taxes Provisions and Depreciation	368,969.74	1,887,181.55
Result before interests, taxes provisions and depreciation	368,969.74	1,887,181.55
Financial incomes and charges		
Interests and bank fees (nets) Exchange rate difference	271,119.48	414,363.42
	20,709.91	(278,796.20)
Total financial incomes and charges	291,829.39	135,567.22
Provisions and Depreciation		
Depreciation	1,833,249.00	1,775,954.00
Loss on debtors	0.00	866,214.03
Result before taxes	(1,756,108.65)	(890,553.70)
Taxes		
Federal taxes	0.00	0.00
Canton and commune taxes	7,245.00	28,491.20
Total taxes	7,245.00	28,491.20
Net result of the period	(1,763,353.65)	(919'044.90)

NOTES TO THE FINANCIAL STATEMENT AS AT 31st MARCH, 2023

Particulars	31.03.2023	31.03.2022
	CHF	CHF
Information 1 :		
Essential Investments		
Ultima Italia S.r.l	2,438,000.00	2,438,000.00
(Share capital EUR 2'000'000.-)	Interest of 100.00%	100.00%
Design Industry Ltd	11,900.00	11,900.00
(Share capital HKD 100'000.-)	100.00%	100.00%
Design Industry China Ltd (Share capital CNY 203'686.40)	Interest of 31,030.00	31,030.00
	100.00%	100.00%

No other mention required by art. 663b CO

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

Particulars	31.03.2023	31.03.2022
	CHF	CHF
Profit available to the Annual General Meeting		
Retained earnings beginning of the year	5,820,409.48	6,739,454.38
	5,820,409.48	6,739,454.38
Net result of the period	(1,763,353.65)	(919,044.90)
	4,057,055.83	5,820,409.48
Proposal of Board of Directors		
Attribution to General Reserve	-	-
Carried Forward	4,057,055.83	5,820,409.48
	4,057,055.83	5,820,409.48

AUDITOR'S REPORT

We have prepared the financial statements, which have been prepared as per the norms and accountability principles established in Italy.

The Statement of accounts complies the information provided by you and also includes the adjustments and classifications as indicated by you, in accordance with *Indian* accountability standards and generally accepted accountability principles.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as 31st March, 2023 and of the results of its operation for the period on the date.

Dr. Enrico Cantoni

26th May, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(Expressed in Euro)

Particulars	Aa at 31 ST March, 2023	As at 31 ST March, 2022
ASSETS		
Fixed Assets, Net of Depreciation	8,46,579	10,08,617
CURRENT ASSETS		
Inventories	71,005	91,452
Accounts Receivables	18,00,530	18,53,616
Deposits	41,800	41,800
Cash at Bank	26,324	1,62,259
TOTAL ASSETS	<u>27,86,239</u>	<u>31,57,745</u>
LIABILITIES		
Share Capital	20,00,000	20,00,000
Loan from holding Company		
Profit/ (-Loss) for the previous years	19,902	(66,853)
Profit/ (-Loss) for the period	607	86,755
Bank overdraft/Limit	65,830	1,404
Loan from banks	470,133	5,18,958
CURRENT LIABILITIES		
Accounts payable and accrued Exp.	215,320	5,17,477
Other Creditors	14,448	1,00,006
TOTAL LIABILITIES	<u>2,786,239</u>	<u>31,57,745</u>

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2023

(Expressed in Euro)

Particulars	2022-2023	2021-2022
INCOME		
Sales	33,47,938	22,39,443
TOTAL INCOME	<u>33,47,938</u>	<u>22,39,443</u>
COSTS AND EXPENSES		
Costs of Goods Sold	18,76,722	6,18,133
Selling, General and Administrative	11,55,060	13,46,102
Depreciation	1,53,415	1,58,117
Financial Charges	1,44,667	16,872
TOTAL COSTS	<u>33,29,864</u>	<u>21,39,224</u>
Profit/ (-Loss) before Taxes	18,075	1,00,219
Taxes	17,468	13,464
Profit/ (-Loss) for the period	607	86,755

DIRECTORS' REPORT

The sole director has pleasure in submitting his annual report together with the audited financial statements for the year ended 31st March, 2023.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was engaged in the export and import of garments, bags and related products. The company is engaged in the import and export of garments, bags and related products.

RESULTS AND APPROPRIATIONS

The profit of the Company for the year ended 31st March, 2023 and the state of the Company's affairs as at that date are set out in the financial statements.

The sole director does not recommend the payment of a dividend in respect of the year ended 31st March, 2023.

SHARE CAPITAL

Details of the Company's share capital are set out in Note 8 to the financial statements.

SOLE DIRECTOR

The sole director of the Company during the year and up to the date of this report was: Walter Willi Zwahlen

In accordance with the Company's Articles of Association, the sole director is not subject to rotation or retirement at the Annual General Meeting.

DIRECTOR'S INTERESTS IN CONTRACTS

Save as disclosed in Note 10 to the financial statements, no other contract of significance in relation to the Company's business to which the company, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

The Company did not enter into any contract, other than the contract of service with the director's or any person engaged in the full-time employment, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

INDEMNITY OF THE SOLE DIRECTOR

Pursuant to the Article of the Company and subject to the provision permitted by the Company Ordinance, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company a party to any arrangement to enable the director of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

AUDITOR

Akin CPA Limited retires and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Akin CPA Limited as auditor of the Company is to be proposed at the forthcoming Annual General Meeting of the Company.

For and on behalf of Boards

Chairman

Hong Kong, 25th May, 2023

INDEPENDENT AUDITORS' REPORT

**To
The Shareholder of
Design Industry Ltd**

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Design Industry Limited (the "Company") set out on pages 6 to 14, which comprise the statement of financial position as at 31st March, 2023, the income statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 900 (Clarified) "Audit of Financial Statements Prepared in Accordance with the SME-FRS" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics ("the Code") for Professional Accountants, and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The sole director of the Company is responsible for the other information. The other information comprises the information included in the Company's 2023 annual report other than the financial statements and our auditor's report thereon ("the Code").

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Director's Responsibilities for the Financial Statements

The sole director is responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the director's determine is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- (iv) Conclude on the appropriateness of the director'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.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the sole director of the company 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.

Akin CPA Limited
Certified Public Accountants

Sharma, Manish Narain
Practicing Certificat NumberL P05395

Hong Kong, 25th May, 2023

STATEMENT OF BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	NOTE	31.03.2023 HK\$	31.03.2022 HK\$
Current Assets			
Accounts and other receivable		13,258,036	20,643,883
Trade deposit paid		199,664	496,064
Prepayments		577,200	577,200
Amount due from related parties	10(c)	17,391,173	1,560,000
Cash and cash equivalents	9	573,426	11,455,240
		<u>31,999,499</u>	<u>34,732,387</u>
Current liabilities			
Accounts payable		3,323,742	18,242,620
Accruals		97,361	60,000
Trad deposit received		647,609	674,261
Amount due to related parties	11(c)	481,125	481,125
Bank over draft		-	6,997
		<u>4,549,837</u>	<u>19,465,003</u>
Net Current Assets		<u>2,449,662</u>	<u>15,267,384</u>
Net Assets		<u>2,449,662</u>	<u>15,267,384</u>
Equity			
Share Capital Issued and paid: 100,000 ordinary shares	8	100,000	100,000
Retained earnings	8	27,349,662	15,167,384
Total Equity		<u>2,449,662</u>	<u>15,267,384</u>

Walter Will Zwahlen
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF PROFIT / LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	NOTE	31.03.2023 HK\$	31.03.2022 HK\$
Turnover	3	60,347,573	89,379,603
Cost of sales		(42,517,243)	(71,192,618)
Gross profit		<u>17,830,330</u>	<u>18,186,985</u>
Other income	4	314,360	895,722
Administrative expenses		(5,962,412)	(8,950,318)
Profit before tax	7	<u>12,182,278</u>	<u>10,132,389</u>
Income tax expense	8	-	-
Profit for the year		<u>12,182,278</u>	<u>10,132,389</u>

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	NOTE	31.03.2023 HK\$	31.03.2022 HK\$
Operating Activities			
Profit before tax		12,182,278	10,132,389
Adjustment for:			
Bank interest income		(14,360)	<u>(54)</u>
Operating Profit before Changes in Working Capital		12,167,918	10,132,335
Decrease in trade and other receivables		7,385,847	8,561,899
Decrease/ (increase) in trade deposit paid		296,400	(496,064)
Increase in prepayments		--	(577,200)
Increase in amount due from related parties		(15,831,173)	(1,516,443)
Decrease in accounts payable		(14,918,878)	(5,572,092)
Increase / (decrease) in accruals		37,361	(37,783)
(Decrease)/increase in trade deposit received		(26,652)	674,261
Decrease in amount due to related parties		-	<u>(4,909,873)</u>
Cash (used in)/ generated from operations		(23,057,095)	3,873,295
Hong Kong profit tax paid		-	-
Net cash (used in)/ generated from operating activities		(10,889,177)	6,259,040
Investing Activities			
Bank interest income		14,360	54
Net cash generated from investing activities		14,360	<u>54</u>
Financing activities			
Increase in bank overdraft		(6,997)	6,997
Net cash (used in)/ generated from financing activities		(6,997)	<u>6,997</u>
Net cash (used in)/ generated from financing activities		(10,881,814)	6,266,091
Cash and cash equivalents at the beginning of the year		11,455,240	5,189,149
Cash and cash equivalents at the end of the year	9	<u>573,426</u>	<u>11,455,240</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. REPORTING ENTITY

Design Industry Limited (the "Company") is a company incorporated in Hong Kong with limited liability. The Company's registered office and principal place of business is located at Room 1104, Crawford House, 70 Queen's Road Central, Central, Hong Kong. The principal activity of the company during the year was engaged in the import and export of garments, bags and related products.

The financial statements are presented in Hong Kong Dollars (HK\$), unless otherwise stated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

In preparing the financial statements, the director has given careful consideration to the future. The company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably, on the following bases:

- (i) Sale of goods is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer; and
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Foreign Exchange

Foreign currency transactions and foreign currency non-monetary items are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the balance sheet date. Gains and losses on foreign exchange are recognised in the income statement.

(c) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is not provided.

(d) Trade and Other Receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

(e) Trade and other payables

Trade and other payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

(f) Cash and Cash Equivalent

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdraft is shown within borrowings in current liabilities on the statement of financial position.

NOTES (CONTD.)**(g) Related Parties**

For the purpose of these financial statements, related party includes a person and entity as defined below:

- (I) A person or a close member of that person's family is related to the Company if that person:
- (i) has control or joint control over of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (II) An entity is related to the Company if any of the following conditions applies:
- (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) the entity is controlled or jointly controlled by a person identified in (I).
 - (vii) a person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Turnover

An analysis of the Company's revenue is as follows:

Particulars	31.03.2023 HK\$	31.03.2022 HK\$
Sales	60,347,573	89,379,603

4. Other Income

Sundry Income	-	185,741
Commission Income	300,000	-
Bank interest Income	14,360	54
Other Charges	-	709,927
	<u>314,360</u>	<u>895,722</u>

5. Director's Emolument

Director's emolument disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance is as follows:

Fees	-	-
Other Emoluments	-	-
Salaries, Allowance and Benefits in kind	19,500	19,500
Bonus	-	-
Employer's mandatory Provident Fund Scheme Contribution	-	-
	<u>19,500</u>	<u>19,500</u>

NOTES (CONTD.)**6. Profit Before Tax**

Cash and cash equivalents included in the statement of financial position comprise the following amounts:

Particulars	2023 HK\$	2022 HK\$
Profit before tax is arrived at: After changing the following Items	1	1
Auditor's remuneration		
- Provision for the year	20,000	20,000
Staff costs (excluding director's emolument - Note 5)		
- Staff salaries, allowance and related cost	-	-
- Employer's mandatory provident fund scheme contribution	-	-

7. Income Tax Expense

No Hong Kong profits tax was provided as the company did not derive any assessable profits in Hong Kong this year.

No deferred taxation was provided as there were no material temporary differences at the end of the statement of financial position date.

8. Changes In Equity

Particulars	Shared Capital HK\$	Retained Earning HK\$	Total HK\$
As at 31st March, 2021	100,000	15,167,384	15,267,384
Net profit for the year	-	12,182,278	12,182,278
As at 31st March, 2022	<u>100,000</u>	<u>27,349,662</u>	<u>27,449,662</u>

9. Cash and Cash Equivalents

Cash and cash equivalents consist of cash balances with banks and on hand. Cash and cash equivalents included in the statement of cash flows comprise the following:

Particulars	31.03.2023 HK\$	31.03.2022 HK\$
Cash at banks and in hand	573,426	11,455,240
Bank overdraft	-	(6,997)
	<u>573,426</u>	<u>11,448,243</u>

NOTES (CONTD.)**10. Related Party Transactions**

- (a) The table below summaries the name of related party and nature of relationship with the Company:

<u>Related Party</u>	<u>Relationship with the Company</u>
Ultima S.A.	Holding company
Bhartiya International Limited	Ultimate holding company
Ultima Italia SRL	Fellow Subsidiary
World Fashion Trade Limited	Fellow Subsidiary

- (b) Significant related party transaction, which was carried out in normal course of the Company's business is a follow:

As at the respective end of the reporting year, the company had the following balance with the related parties:

Particulars	Purchases	
	2023 HK\$	2022 HK\$
Current:		
Purchase from Ultima S.A.	428,608	1,544,384
Purchase from Bhartiya International Limited	3,446,750	1,759,234
Commission paid to Ultima Italia SRL	-	1,235,879
	<u>3,875,358</u>	<u>4,539,497</u>

- (c) Balance with the related parties

As at the respective reporting date, the Company had the following outstanding balance with the related parties:

Particulars	Purchases	
	2023 HK\$	2022 HK\$
Current:		
Amount due from Ultima S.A.	17,238,573	1,560,000
Amount due from World Fashion Trade Limited	152,600	-
	<u>17,391,173</u>	<u>1,560,000</u>
Current:		
Amount due to Ultima Italia SRL	481,125	481,125

All above balances with the related parties are unsecured, interest-free and repayable on demand.

11. Ultimate Holding Company

As at 31st March, 2023, the sole director considers the ultimate hold of the company to the Bhartiya International Limited, which is incorporated in New Delhi, India.

INDEPENDENT AUDITOR'S REPORT

To,
The shareholders of
Design Industry China Ltd.

I. Opinion

We have audited the financial statements of Design Industry China Ltd., including the balance sheet as at March 31, 2023, and the income statement, cash flow statement and notes to relevant financial statements for the during April 1st 2022 to 31st March, 2023, and the notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Small Business Enterprises and present fairly the financial position of the Company as at March 31, 2023 and its operating results and cash flows for the during 1st April, 2022 to 31st March, 2023.

II. Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Design Industry China Ltd. in accordance with the Code of Ethics for Chinese Certified Public Accountants and have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with China Accounting Standards for Small Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Design Industry China Ltd. 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 Design Industry China Ltd. or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Design Industry China Ltd. financial reporting process.

IV. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- A. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management' 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 Design Industry China Ltd. 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 Design Industry China Ltd. to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Hangzhou Tianpu Certified Public Accountant:

Chinese Certified Public Accountant:

Hangzhou, China

25th May, 2023

BALANCE SHEET AS OF 31ST MARCH, 2023

Design Industry China Ltd.

Monetary Unit: RMB Yuan

Assets	Note No.	Ending Balance	Beginning balance	Liabilities & Owners' Equity	Note No.	Ending Balance	Beginning balance
Current assets:				Current liabilities:			
Monetary funds	1	2,64,008.59	4,75,276.66	Short-term loans	33	-	-
Trading financial assets	2	-	-	Trading financial liabilities	34	-	-
Notes receivable	3	-	-	Notes payable	35	-	-
Accounts receivable	4	37,204.17	16,923.04	Accounts payable	36	-	-
Advances paid	5	2,59,888.80	2,61,018.80	Advances received	37	30,111.93	6,79,897.00
Interest receivable	6	-	-	Employee compensation payable	38	-	-
Dividend receivable	7	-	-	Taxes and rates payable	39	15,036.29	25,975.39
Other receivables	8	37,266.94	83,798.65	Interest payable	40	-	-
Inventories	9	13,307.79	1,26,356.81	Dividend payable	41	-	-
Non-current assets due within one year	10	-	-	Other payables	42	-	-
Other current assets	11	-	-	Non-current liabilities due within one year	43	-	-
Sub-total of current assets	12	6,11,676.29	9,63,373.96	Other current liabilities	44	-	-
Non-current assets:							
Available-for-sale financial assets	13	-	-	Sub-total of current liabilities	45	45,148.22	7,05,872.39
Held-to-maturity investments	14	-	-	Non-current liabilities:			
Long-term receivables	15	-	-	Long-term borrowings	46	-	-
Long-term equity investments	16	-	-	Bonds payable	47	-	-
Investment properties	17	-	-	Long-term payables	48	-	-
Fixed assets cost	18	97,788.00	97,788.00	Special payables	49	-	-
Less:Accumulated depreciation	19	92,898.60	92,898.60	Estimated liabilities	50	-	-
Fixed assets	20	4,889.40	4,889.40	Deferred tax liabilities	51	-	-
Construction in progress	21	-	-	Other non-current liabilities	52	-	-
Construction materials	22	-	-	Sub-total of non-current liabilities	53	-	-
Disposal of fixed assets	23	-	-				
Capitalized biological assets	24	-	-	Total Liabilities	54	45,148.22	7,05,872.39
Intangible assets	25	-	-	Owners' equity:			
Development expenditures	26	-	-	Paid-in capital	55	2,00,000.00	2,00,000.00
Goodwill	27	-	-	Capital reserve	56	3,686.40	3,686.40
Long-term prepayments	28	-	-	less: treasury stock	57	-	-
Deferred tax assets	29	-	-	Surplus reserve	58	36,773.11	-
Other non-current assets	30	-	-	Undistributed profit	59	3,30,957.96	58,704.57
Sub-total of Non-Current Assets	31	4,889.40	4,889.40	Total owners' Equity	60	5,71,417.47	2,62,390.97
Total Assets	32	6,16,565.69	9,68,263.36	Total Liabilities & Owners' Equity	61	6,16,565.69	9,68,263.36

INCOME STATEMENT FOR THE YEAR 1ST APRIL, 2022 TO 31ST MARCH, 2023

Design Industry China Ltd.

Monetary Unit: RMB Yuan

	Items	Note No.	Current Period Cumulative	Preceding Period Comparative
I.	Revenue from Operations	1	45,20,901.50	37,46,606.50
II.	Less: Cost of Operations	2	6,97,914.71	1,90,018.00
	Taxes and Surcharge for Operations	3	12,064.28	21,356.66
	Selling Expenses	4		
	General & Administrative Expenses	5	34,08,644.86	31,45,682.53
	Financial Expenses	6	26,450.47	9,467.86
	Assets Impairment Loss	7		
	Add: Investment Income (or less: losses)	8		
III.	Operating Profit	9	3,75,827.18	3,80,081.45
	Add: Non-operating Revenue	10	12,024.56	2,412.57
	Less: Non-operating Expenditures	11	70,540.00	12,563.00
	including: Net loss on disposal of non-Current Assets	12		
IV.	Profit before Tax	13	3,17,311.74	3,69,931.02
	Less: Income Tax	14	7,837.87	6,466.25
V.	Net Profit	15	3,09,473.87	3,63,464.77

STATEMENT OF CASH FLOW FOR THE YEAR 1ST APRIL, 2022 TO 31ST MARCH, 2023

Design Industry China Ltd.

Monetary Unit: RMB Yuan

	Items	Note No.	Current period cumulative	Preceding Period cumulative
I.	Cash flows from operating activities:			
	Cash receipts from sale of goods or rendering of services	1	38,50,835.30	43,86,408.23
	Cash receipts from taxes and rates refunds	2	2,04,616.88	17,408.45
	Other cash receipts relating to operating activities	3	58,556.27	9,124.78
	Total cash inflows from operating activities	4	41,14,008.45	44,12,941.46
	Cash paid for goods and services	5	6,77,288.67	6,02,032.66
	Cash paid to and on behalf of employees	6	20,40,942.05	24,05,632.64
	Cash payments of taxes and rates	7	2,53,083.34	2,28,725.52
	Other cash payments relating to operating activities	8	13,28,583.38	7,23,452.89
	Total cash outflows from operating activities	9	42,99,897.44	39,59,843.71
	Net cash flows from operating activities	10	-1,85,888.99	4,53,097.75
II.	Cash flows from investing activities:			
	Cash received from return of investments	11		
	Cash received from return on investments	12		
	Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	13		
	Other cash receipts relating to investing activities	14		
	Total cash inflows from investing activities	15		
	Cash paid for acquiring fixed assets, intangible assets and other long-term assets	16		
	Cash paid for acquiring investments	17		
	Other cash payments relating to investing activities	18		
	Total cash outflows from investing activities	19	-	-
	Net cash flows from investing activities	20	-	-
III.	Cash flows from financing activities:			
	Cash received from investment by others	21		
	Cash received from borrowings	22		
	Other cash receipts relating to financing activities	23		
	Total cash inflows from financing activities	24		
	Cash repayments of borrowings	25		
	Cash paid for distribution of dividends or profits and for interest expenses	26		
	Other cash payments relating to financing activities	27		
	Total of cash outflows from financing activities	28		
	Net cash flows from financing activities	29		
IV.	Effect of foreign exchange rate changes on cash & cash equivalents	30	-25,379.08	-7,771.09
V.	Net increase in cash and cash equivalents	31	-2,11,268.07	4,45,326.66
	Add: cash at the beginning of the period		4,75,276.66	29,950.00
VI.	cash and cash equivalents at the end of the period		2,64,008.59	4,75,276.66

NOTES TO FINANCIAL STATEMENTS FOR THE DURING 1ST APRIL, 2022 TO 31ST MARCH, 2023

I. Basics of the company

Design Industry China Ltd. is a Limited Liability Company (Sole Foreign Corporation). The Company obtained a business license from People's Government of Hangzhou on 21 May, 2015 issued by Hangzhou Municipal Administration of Industry and Commerce of the PRC. On December 23, 2016, the unified social credit code reissued by Hangzhou Shangcheng District Market Supervision and Administration Bureau was 913301003221707740 "Business license". The registered capital is RMB 200,000.00. ULTIMA SA contributed USD 32,000.00 on September 9th, 2015, equivalent to RMB203,686.40 yuan. Corporation registers: Room 1603, Lianyin Building, No. 887, Jiangcheng Road, Hangzhou, China. Post Code: 310002.

The company changed its legal representative on May 9, 2019. After the change, the legal representative is Sun Xiaoling.

After the change, Scope of business: the wholesale, retail, import and export of clothing, textile, suitcases & leather ware, art ware (except cultural relics), daily provisions; Service: clothing design, entrusted to engage in product quality inspection (Commodities that don't involve trade management commodity of China but involve quota, license management commodity, should be made application in accordance with the national relevant regulations.) (Any project that needs to be approved by law can only be carried out after getting approval by relevant authorities.)

II. Statement in Compliance with Small Business Accounting Standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Small Businesses and provide a true and complete reflection of the Company's financial position, operating results and cash flow.

III. Prepare the Basis

The Company implements the Accounting Standards for Small Businesses of the People's Republic of China. The following important accounting policies are based on this accounting standard.

IV. Important accounting policies, Accounting Estimates

1. Fiscal Year

The Company's fiscal year is from 1 April to 31 March Gregorian calendar year.

2. Book the Standard Currency

The Company takes RMB as the bookkeeping standard currency.

3. Bookkeeping Basis and Pricing Principles

The accounting of the Company takes accrual system as the basis for accounting, and the assets are denominated based on actual cost. Each property is measured at actual cost at the time of acquisition, and if impairment occurs thereafter, the corresponding impairment provisions are made in accordance with the provisions of the enterprise accounting system.

4. Foreign Currency Business Accounting Method

Foreign currency business involved in the fiscal year shall be recorded in RMB at the spot exchange rate at the date of occurrence of the foreign currency business. The balance sheet date shall be converted into the bookkeeping standard currency amount for the balance sheet of various foreign currency accounts such as foreign currency cash, foreign currency bank deposits, claims and debts at the spot exchange rate. The difference between the bookkeeping standard amount, which is equivalent to the current exchange rate on that date, and the book denominated currency amount, shall be included in the current profit and loss.

5. Cash Equivalents

Cash equivalents are investments held by the Company with short maturities, strong liquidity, easy conversion to known amounts of cash, and little risk of change in value.

NOTES (CONTD.)**6. Receivables and Advances**

Receivables and advances refer to the claims of small enterprises in their daily production and business activities. Includes accounts receivable, accounts receivable, dividends receivable, interest receivable, other receivables, etc. and advance accounts.

Criteria for confirmation of bad debt losses: if the debtor declares bankruptcy, closure, dissolution, revocation, or is cancelled or revoked in accordance with the law, and its liquidation property is not liquidated; if the debtor dies or is declared missing or dead in accordance with the law, and his property or estate is not liquidated; and the debts are not paid if the person is more than 3 years overdue and has conclusive evidence that he is unable to pay off the debt, if he has entered into a debt restructuring agreement with the debtor or the court approves the bankruptcy reorganization plan, and if force majeure, such as natural disasters or war, is not recoverable.

In the event of one of the above-mentioned circumstances in which receivables and advances occur, the irrecoverable receivables and advances recognized after deducting the recoverable amount shall be included in the out-of-business expenses at the time of actual occurrence as a loss of bad debts, and the receivables and advances shall be reduced.

7. Inventory Accounting Method

Inventory refers to the finished goods or commodities held by small enterprises for sale in the course of daily production and operation, the products in the production process, the materials and materials to be consumed in the production process or the provision of labor services, etc. Including raw materials, products, semi-finished products, finished products, commodities, turnover materials, commissioned processing materials. Inventory is accounted for in accordance with the following principles:

When the Company's inventory is acquired, it is recorded at actual cost.

The company takes or issues inventory, according to the actual cost accounting, the use of first-in, first-out method to determine its actual cost. When the company uses working materials and low-value consumables, it uses amortization method.

The inventory inventory system is based on a sustainable inventory system.

In the event of damage to inventory, disposal income, recoverable liability compensation and insurance compensation shall be included in the non-operating expenses or non-operating income, net of its costs, net of related taxes and fees, gains realized from inventory and losses incurred in inventory.

8. Fixed Asset Pricing and Depreciation Methods

Fixed assets are tangible assets held by small enterprises for the production of products, the provision of services, rental or management, with a service life of more than 1 year. Including houses and buildings, machinery, machinery, means of transport, equipment, appliances, etc.

Fixed assets are priced at the actual cost at the time of acquisition. The cost of the asset includes the purchase price and the expenses necessary to bring the asset to a predetermined usable state.

Once the depreciation method, service life and expected net residual value of fixed assets have been determined, they may not be changed at will. Fixed asset depreciation is measured in a straight line for the expected useful life after subtracting the estimated net residual value of 5 % from the original value. Fixed asset categories and estimated useful years and depreciation rates are as follows: The depreciation years and annual depreciation rates for various types of fixed assets are as follows

Fixed Asset Category	Depreciation Years	Estimated net residual rate	Annual Depreciation Rate
Office Equipment	3 years	5.00%	31.67%
Transport Equipment	4 years	8.80%	22.80%

The principle of Revenue Recognition

Recognition of the income from the sale of goods:(1)When the enterprise issues the goods and receives the purchase price or acquires the right to collect the goods, the enterprise confirms the income from the sale of the goods.

NOTES (CONTD.)

Recognition of the provision of labour income:(1) Services initiated and completed in the same fiscal year shall be recognized when the provision of labour transactions is completed and payment is received or the right to receive payments is obtained. The amount of income from the provision of services is the contract or agreed price received or receivable from the recipient. (2) Where the start and completion of services are divided into different fiscal years, the income from the provision of services shall be recognized in accordance with the progress of completion. On the annual balance sheet date, the provision of labor income in accordance with the total income from the provision of services multiplied by the amount of the cumulative confirmed income from the provision of services in the previous fiscal year is deducted from the progress of completion, and the operating costs of the current period shall be carried forward by the total cost of providing services as estimated multiplied by the total cost of providing services in the previous fiscal year, after deducting the cumulative confirmed operating costs in the previous fiscal year.

9. Profit Distribution

When an enterprise distributes its profits after tax for the current year, 10% of the profits drawn in accordance with the provisions of the Company Law are included in the Company's statutory provident fund.

10. Major accounting policies, changes in accounting estimates and correction of material accounting errors for the current period

No major accounting policies, changes in accounting estimates and correction of material accounting errors were made in the current period.

V. Taxes

1. Major taxes and tax rates

Taxes	Tax base	Tax Rate
Corporate income tax	Taxable income	25%
Value added tax	Sales tax is calculated on the basis of taxable sales revenue and is calculated after deducting the difference between the amount of the credit allowed for deduction in the current period	13% 6%
City maintenance and construction tax	Value added tax paid	7%
Additional education fees	Value added tax paid	3%
Local education add-ons	Value added tax paid	2%

2. Tax benefits and approvals

According to the Announcement of the State Administration of Taxation on Implementing Preferential Policies for Supporting the Development of Small and Micro profit Enterprises and Individual Industrial and Commercial Households (Announcement No. 8 of 2023), from January 1, 2023 to March 1, 2023, the portion of taxable income that does not exceed 1 million yuan per year shall be reduced by 12.5% and included in taxable income, and enterprise income tax shall be paid at a rate of 20%; According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Policies for Small and Micro Enterprise Income Tax (Announcement No. 13 of the Ministry of Finance and the State Administration of Taxation in 2022), from January 1, 2022 to December 31, 2024, for the portion of annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at a 20% tax rate. Our company meets the conditions for small and low-profit enterprises this year and enjoys this tax preferential policy.

3. According to the Announcement on Further Implementing the "Six Taxes and Two Fees" Reduction Policy for Small and Micro Enterprises (Announcement No. 10 of the Ministry of Finance and the State Administration of Taxation in 2022) and the Notice of the Zhejiang Provincial Department of Finance and the State Administration of Taxation on the Implementation of the "Six Taxes and Two Fees" Reduction Policy for Small and Micro Enterprises in Zhejiang Province (Zhejiang Finance and Taxation Administration [2022] No. 4), from January 1, 2022 to December 31, 2024, Zhejiang Province will provide assistance to small-scale value-added tax taxpayers Small and micro profit enterprises and individual businesses are subject to a 50% reduction in resource tax, City maintenance and construction tax, real estate tax, urban land use tax, stamp tax (excluding securities trading stamp tax), farmland occupation tax and additional education fees, and local education surcharges. Our company meets the conditions for the "six taxes and two fees" reduction policy this year and enjoys the "six taxes and two fees" reduction discount.

NOTES (CONTD.)**Notes to items of Financial Statements****(In RMB Yuan, unless otherwise stated)****VI. Key item notes for the accounting statement**

The following note item amount units are RMB unless specifically stated that. "end of period" means March 31, 2023, "beginning" means April 1, 2022, and "current period" means April, 2022 to March, 2023, "previous" means April, 2023 to March 2022.

1. Monetary funds

Items	The balance at the end of the period	The amount of the beginning of the period
Cash on hand	16,943.84	6,252.92
Bank deposits	247,064.75	469,023.74
Total	264,008.59	475,276.66

2. Accounts Receivable

1 Aging analysis

Age	The balance at the end of the period		The amount of the beginning of the period	
	Gold	Percentage%	Gold	Percentage%
Within 1 year	22,122.04	59.46	16,923.04	100.00
1-2 years	15,082.13	40.54		
Total	37,204.17	100.00	16,923.04	100.00

2. As of March 1, 2023, there was no amount due from shareholders or related parties holding more than 5% (including 5%) of the company's voting shares in the accounts receivable.

3. Accounts receivable details are as follows:

Single-Digit name	Relationship with our company	The last balance of the period	Nature of payment
Bhartiya International Limited	Non-related parties	17,333.44	Payment for goods
Geox SPA	Non-related parties	15,082.13	payment for service
Design Industry Limited	Non-related parties	4,788.60	Payment for goods
Total		37,204.17	

3. Advances Paid

1. Aging analysis

Age	The balance at the end of the period		The amount of the beginning of the period	
	Gold	Percentage%	Gold	Percentage%
Within 1 year	248,376.80	95.57	261,018.80	100.00
1-2 years	11,512.00	4.43	-	-
Total	259,888.80	100.00	261,018.80	100.00

2. As of March 1, 2023, there was no advance payment to shareholders or related parties holding more than 5% (including 5%) of the company's voting shares in advance.

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)**

3. Advances paid details are as follows:

Single-digit name	Relationship with our company	The last balance of the period	Nature of payment
Jiangyin Junhua Flocking Products Co., Ltd	Non-related parties	190,378.80	Payment for goods
Prepaid rent	Non-related parties	54,000.00	Rent
Suzhou Yudan Textile Co., Ltd	Non-related parties	10,150.00	Payment for goods
Bonai Clothing and Leather Products (Hangzhou) Co., Ltd	Non-related parties	3,998.00	Payment for goods
Jiangyin Darun Textile Co., Ltd	Non-related parties	1,362.00	Payment for goods
Total		259,888.80	

4. Other Receivables

1. Aging analysis

Age	The balance at the end of the period		The amount of the beginning of the period	
	Gold	Percentage%	Gold	Percentage%
Within 1 year	27,766.94	74.51	13,998.65	16.71
1-2 years	2,000.00	5.37	69,800.00	83.29
2-3 years	7,500.00	20.13	-	-
Total	37,266.94	100.00	83,798.65	100.00

2. As of March 1, 2023, there were no receivables from shareholders or related parties holding more than 5% (including 5%) of the company's voting shares in other receivables.
3. Other receivables details are as follows:

Single-Digit Name	Relationship with our company	The last balance of the period	Nature of payment
Export tax refund	Non-related parties	16,691.29	Tax refund
Sun Xiaoling	Non-related parties	13,075.65	Petty cash
Rental deposit	Non-related parties	7,500.00	Deposit
Total		37,266.94	

5. Inventories

1. Inventory classification

Items	The balance at the end of the period	The amount of the beginning of the period	Difference between book balance and market price at the end of the year
1.Finished goods	13,307.79	126,356.81	-
Total	13,307.79	126,356.81	-

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)****6. Fixed Assets**

1. Fixed Assets

Items	The amount of the beginning of the period	Increase in amount for the current period	Reduction amount for the current period	The balance at the end of the period
First, the original value	97,788.00	-	-	97,788.00
Office equipment	7,788.00	-	-	7,788.00
Transport equipment	90,000.00	-	-	90,000.00
Second, accumulated depreciation	92,898.60	-	-	92,898.60
Office equipment	7,193.20	-	-	7,193.20
Transport equipment	85,705.40	-	-	85,705.40
Third, book value	4,879.40	-	-	4,879.40
Office equipment	584.80	-	-	584.80
Transport equipment	4,294.60	-	-	4,294.60

7. Advances Received

1 Aging analysis

Age	The balance at the end of the period	The amount of the beginning of the period
Within 1 year	30,111.93	679,879.00
Total	30,111.93	679,879.00

2. Among the advance receipts, the advance receipts of shareholder units or related parties holding more than 5% (including 5%) of the voting shares of the company

Single-Digit Name	The balance at the end of the period	The amount of the beginning of the period
Ultima SA	-	679,879.00
Total	-	679,879.00

3. Advances received details are as follows:

Single-Digit Name	The balance at the end of the period	The amount of the beginning of the period
Max Trade Limied	30,111.93	
Ultima SA	-	679,879.00
Total	30,111.93	679,879.00

8. Taxes and rates are payable

Items	The balance at the end of the period	The amount of the beginning of the period
Value added tax	15,147.13	23,575.30
City maintenance and construction tax	530.15	1,400.06
Additional education fees	378.67	1,000.03
Individual income tax	-1,019.66	
Total	15,036.29	25,975.39

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)****9. Paid-in Capital**

1. Details

The name of the investor	The amount of the beginning of the period	Increase in amount for the current period	Reduction amount for the current period	The balance at the end of the period
Ultima SA	200,000.00			200,000.00
Total	200,000.00			200,000.00

10. Capital Reserve

Items	The amount of the beginning of the period	Increase in amount for the current period	Reduction amount for the current period	The balance at the end of the period
Other capital reserve	3,686.40			3,686.40
Total	3,686.40			3,686.40

11. Surplus Reserve

Items	The amount of the beginning of the period	Increase in amount for the current period	Reduction amount for the current period	The balance at the end of the period
Statutory surplus reserve		36,773.11		36,773.11
Total		36,773.11		36,773.11

12. Undistributed Profit

Items	The number of Current period	The number of previous periods
Undistributed profit at the end of last year	58,704.57	-304,760.20
Plus: Adjustment for undistributed profit at the beginning of the year		
Undistributed profit at the beginning of the year	58,704.57	-304,760.20
Plus: Net profit for the year	309,473.87	363,464.77
Other transfer-in	-447.37	-
Less: Withdrawal of the statutory surplus provident fund	36,773.11	-
Undistributed profit at the end of the year	330,957.96	58,704.57

13. Revenue from Operations

Items	The number of Current period	The number of previous periods
Main revenue from operations	1,123,295.07	203,626.83
Other revenue from operations	3,397,606.43	3,542,979.67
Total	4,520,901.50	3,746,606.50

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)****14. Cost of Operations**

Items	The number of Current period	The number of previous periods
Main cost of operation	613,112.53	127,545.50
Other cost of operation	84,802.18	62,472.50
Total	697,914.71	190,018.00

15. Taxes and Surcharge for Operations

Items	The number of Current period	The number of previous periods
City maintenance and construction tax	6,731.95	11,941.60
Additional education fees	4,808.48	8,529.69
Stamp tax	523.85	885.37
Total	12,064.28	21,356.66

16. General and Administrative Expenses

Items	The number of issues in this issue	The number of previous periods
Administrative expenses	3,408,644.86	3,145,682.53

Among them, the main projects include:

Items	The number of issues in this issue	The number of previous periods
Employee compensation	2,040,942.05	1,833,822.97
Enterprises to the social security fund	383,238.04	407,055.07
Accumulation fund	12,240.00	10,080.00
Welfare fees	170,855.84	148,314.60
Staff training expense	10,993.00	6,360.00
Business entertainment	9,637.33	24,813.10
Office expenses	63,992.14	12,458.41
Utilities	16,020.27	19,384.64
Travel expenses	103,815.93	137,490.11
Rent	153,500.00	118,214.26
Depreciation	-	15,390.00
Repair costs	7,289.00	12,530.00
Communications	9,909.33	13,782.52
Audit fees	14,617.98	12,637.78
Shipping and courier charges	289,668.09	297,668.67
Car charges	45,880.88	22,971.40
Other	76,044.98	52,709.00

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)****17. Financial Expenses**

Items	The number of issues in this issue	The number of previous periods
Interest expense		
Less: Interest income	464.28	212.21
Exchange losses	25,379.08	7,771.09
Bank charges	1,535.67	1,908.98
Total	26,450.47	9,467.86

18. Non-operating Revenue

Items	The number of Current period	The number of previous periods
Government subsidies	12,024.56	-
Value added tax input plus deduction	-	2,412.57
Total	12,024.56	2,412.57

Among them, the government subsidies include:

Items	The number of Current period	The number of previous periods	Illustration
Subsidies for job stability	12,024.56	-	-
Total	12,024.56	-	-

19. Non-Operating Expenditures

Items	The number of Current period	The number of previous periods
Fine expenses	400.00	9,800.00
Inventory loss, damage, and scrap loss of inventory	69,800.00	
Bad debt and inventory loss	340.00	2,763.00
Total	70,540.00	12,563.00

VII. Notes on other transactions**1. Related party relationship and the company's transactions and balance with related parties****1) The related party that has the control relationship**

The name of the related party	The place of registration	Investment amount in our company	For the Company Shareholding ratio	Economic nature or type
Ultima SA	Switzerland	2,000,000.00	100.00%	Corporation

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)****2. Accounts receivable and payable of related parties**

- 1) Accounts payable by our company to related parties

Section	The name of the joint party is called	The last balance of the period	The amount of the beginning of the period
Pre-receiving accounts	Ultima SA		679,879.00

VIII. Contingent Matters

As of March 31, 2023, the Company does not have any material pending litigation, external guarantees, etc. that need to be disclosed.

IX. Non-adjusted material matters after balance sheet date

As of March 31, 2023, the Company does not have any non-adjustable material matters that need to be disclosed after the balance sheet date.

X. Other important matters

As of March 31, 2023, there are no other important matters that need to be disclosed in this company.

DESIGN INDUSTRY CHINA LTD.

25th May, 2023

BHARTIYA

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