

REPORT

ANNUAL

2017-2018

Design-led.

Innovative.

Sustainable.

Reliable.

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01

FROM THE CHAIRMAN

“

My endeavor is profit as an outcome of 'Happiness for all'.

This in my view, is the way to create a sustainable enterprise.

”



It gives me great satisfaction to share that your company continues to grow and prosper. From starting as a leather outerwear company, we have transformed today into a global Apparel and Accessories group with 5 clear business verticals. While consolidating our strength in our manufacturing units, going forward our focus will be to exponentially expand our virtual manufacturing business from India, Italy, Bangladesh and China. With this, the foundation is well set and gives us ample and multifold opportunity to keep growing for the next decade.

One of my goals for the last few years has been to create a strong professional and motivated leadership. While I continue to focus at strategic level, our operations are run independently by very focused and experienced professionals at all levels. We are proud to be one of the few companies in the country involved in the business of manufacturing and supply chain of

fashion products which runs independent of any operational role of the original promoters. This is hugely gratifying and a source of great strength for the company.

Many new divisions in which we have been investing in the last few years are now becoming profitable. This will create more strength and resources and enable us to invest further in growth. As salaries and cost of production in the manufacturing countries in Asia continue to rise, companies are using technology and enhancing efficiency in their production lines. We are also alive to this challenge and are taking steps to benchmark ourselves with the best in class. All our manufacturing units are fully compliant on social parameters and we are moving towards sustainable and environment friendly production methods. We also continue to remain focused in our design thinking and have created a forte in providing design solutions to all our customers and partners. This has enabled us to become a partner of choice to over 100 global fashion brands.

It gives me pride to share that your company has been shortlisted as a Fortune India next 500 Company for the second time this year.

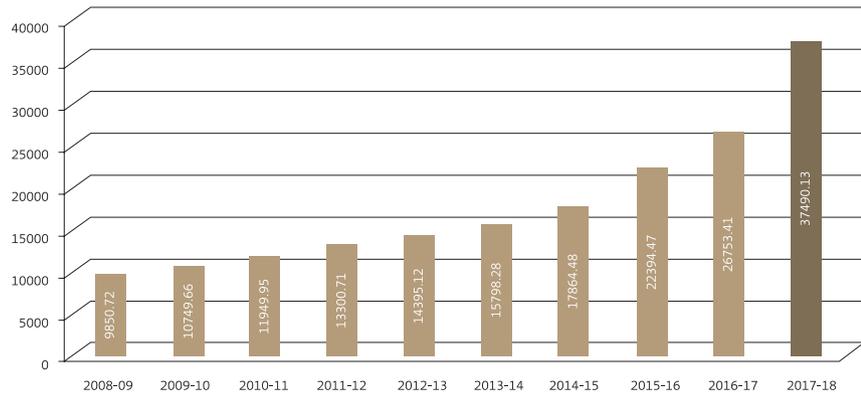
My endeavor is profit as an outcome of 'Happiness for all'. This in my view, is the way to create a sustainable enterprise.

Snehdeep Aggarwal

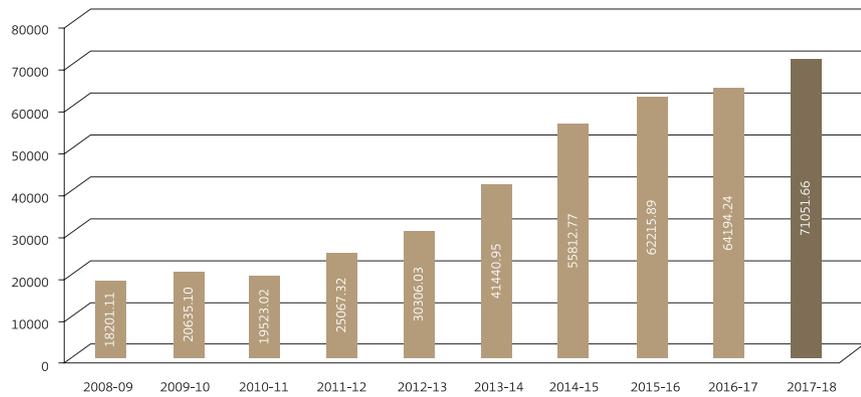


PERFORMANCE HIGHLIGHTS

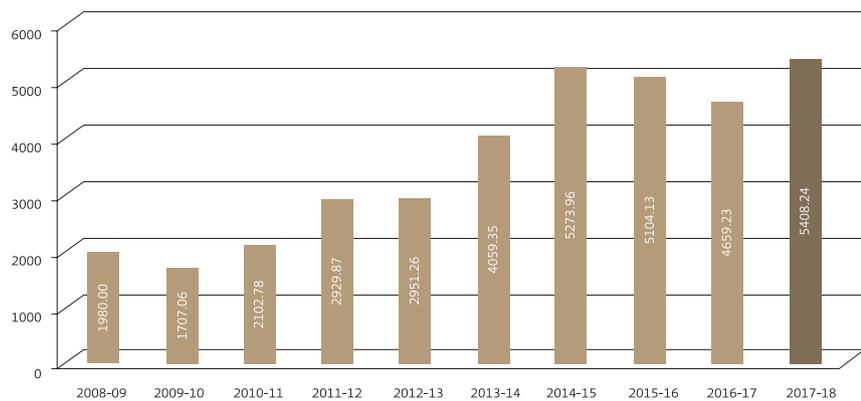
Net Worth (Rs. in Lacs)



Turnover (Rs. in Lacs)



EBITDA (Rs. in Lacs)



BOARD OF DIRECTORS

DIRECTORS

Snehdeep Aggarwal	Managing Director
Ramesh Bhatia	Director
Nikhil Aggarwal	Director
Shashank	Independent Director
A. Sahasranaman	Independent Director
C.L. Handa	Independent Director
Sandeep Seth	Independent Director
Annapurna Dixit	Independent Director
Robert Burton Moore Jr	Additional Director
Manoj Khattar	Additional Director & CFO
Shilpa Budhia	Company Secretary

AUDITORS

KASG & Co., Gurugram

BANKERS

State Bank of India
Corporation Bank
IDBI Bank
HDFC Bank
Indusind Bank
CTBC Bank
Kotak Mahindra Bank
DBS Bank Ltd.
Axis Bank
Yes Bank
RBL Bank

DELHI

Bhartiya International Ltd.
E-52, New Manglapuri,
Mandi Road (Mehrauli),
New Delhi – 110 030 (India)

GURUGRAM

Bhartiya International Ltd.
Plot No. 38, Sector – 44,
Gurugram – 122 002 Haryana, India

BENGALURU

Bhartiya International Ltd.
27/2, Gottigere, Bannerghatta Road,
Bengaluru – 560 083 (India)

CHENNAI

Bhartiya International Ltd.
56/7, Nallambakkam Village,
Via-Vandalur,
Chennai – 600 048 (India)

TADA

Bhartiya International Ltd.
APIIC Industrial Park,
Konderu Village, Tada Mandal,
SPSR Nellore Distt.,
Andhra Pradesh - 524 401

ITALY

Ultima Italia SRL
Via Vincenzo Monti, 21,
20123 Milano (MI), Italy

SWITZERLAND

Ultima SA
Avenue J.J. Rousseau 7,
CH – 2001 Neuchatel, Switzerland

HONGKONG

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

Design Industry Ltd.
Room 1104, Crawford House,
70 Queen's Road, Central,
Hong Kong

CHINA

World Fashion Trade Ltd.
Room 407, Tower 8, United Plaza,
No. 58 Qianjiang Road, Hangzhou,
China - Post Code: 310 008

Design Industry China Ltd.
Room 407-1, Tower 8, United Plaza,
No. 58 Qianjiang Road, Hangzhou,
China – Post Code: 310 008

03

MANAGEMENT DISCUSSION



“Bhartiya International was founded in 1987 and has evolved into a global conglomerate. It currently operates five major businesses: Virtual Manufacturing, Leather Garments, Fashion Accessories, Textile Outerwear and Finished Leather. It is a vertically integrated company with design and sampling facilities in Milan, Hangzhou, Gurugram, Chennai, and Bengaluru and operations in India, Italy, Bangladesh, Switzerland and China.

Bhartiya Fashion is known for latest designs, quality production, short lead times, and sustainability and is led by experienced industry leaders in all businesses. Mr. Errol Martin, an experienced global supply chain specialist, joined us as Chief Executive Officer.

VIRTUAL MANUFACTURING

Virtual Manufacturing (VM), our sourcing business, is the fastest growing among the group. It is driven from Delhi and Milan. Delhi focuses on ladies soft woven and Milan focuses on outerwear, predominantly sourcing from China. The business is design driven, has world-class design studios in Milan and Gurugram with a team of young designers from all over the world and is expanding our sourcing capabilities.

Assessment platform was initiated last year for supply chain in order to fulfill customer specific compliance criteria's and this has enabled the VM business to work with global premium brands.

The Milan office is a major contributor to Virtual Manufacturing and continues to grow. New product categories were added this year, including denim garments for European and US markets. It has also partnered with more facilitators in Europe to grow the business. The current categories are PU and textile outerwear, ladies soft woven, kids wear, denim and, chinos, etc.

LEATHER GARMENTS

We are the largest leather garment manufacturer in India and continue to grow even bigger. This year, the key focus has been on sustainability and new product development. Our manufacturing units are following strict guidelines for sustainability and compliance requirements.

Design teams continue to innovate new products: leather skirts,

& ANALYSIS



shearling jackets, and leather pants. Dedicated merchandizing teams, sampling facility, production lines, and factories have been established for best brands and high-street retailers for many years. The manufacturing facilities are in Bengaluru and design offices in Gurugram and Milan.

FASHION ACCESSORIES

With a vision of producing high quality leather and non-leather accessories in India, our accessories business has grown multi fold. This year, the accessories business is expected to be a major contributor to the total revenue. The business is focused on design led quality products. In this respect, we have launched a dedicated world-class sampling and product development facility.

Full-time designers in Milan and Chennai develop leather and non-leather accessories and our customer base has expanded to more customers in US, Europe,

and UK. This year we launched dedicated lines for belt manufacturing and this category has been growing at an exponential pace. Well-qualified industrial engineers and managers are leading production planning, raw material sourcing, operational efficiency, deliveries, and quality control.

TEXTILE OUTERWEAR

This is the second full year of operation of textile outerwear. The business is producing the highest quality products to global customers. Capitalizing on our leather relationship with global brands, the business is expanding rapidly.

The business continues to add more machines to strengthen our production facilities and has specialized designers in Milan and Bengaluru. The business added a fabric-sourcing unit in the East Asia and wash facility in Bengaluru to achieve quality production and efficiency in this business.

FINISHED LEATHER

Bhartiya has a dedicated leather tannery in Chennai, which can process 15,000 skins each day. This upstream integration enables Bhartiya to create new finishes and fashions in leather. This facility has multiplied its capacity to serve as the hub for leather sourcing and finishing. A dedicated Italian designer works on developing new leathers and organizes two leather collections per year. The research and development team develop new styles of leathers using most sustainable ways and using eco friendly chemicals.

The raw materials, including hides and skins, are sourced from New Zealand, the United Kingdom, Spain, France and Italy, as well as goat and sheep skins sourced from the Middle East and Latin America. The tannery is an LWG certified tannery.

04 OUR COMPANY



HUMAN RESOURCES

Human Resources in the organization is working round the clock to support the business to excel in terms of acquiring best talent and bringing the best practices to develop the existing talent. As it is said that empowered and energized workforce results into superior business performance, so has been witnessed in Bhartiya business too.

Since technology is the utmost need to support the people's need, the HR team innovates their portal from time-to-time to keep abreast with the changing technology and making lives easy. There has been constant changes and efforts to advance the technology piece and link it with people practices. Bhartiya also works for the benefit of the society and takes part in the CSR activities.

Overall the HR team is constantly working to develop the leadership and assist people in developing themselves to face the ever challenging and volatile business environment.

INTERNAL CONTROL SYSTEM

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.

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, India; Bhartiya City is an inclusive and sustainable development; integrating homes, work spaces, shopping spaces, hospital, school, parks and bike paths to enliven and enrich citizens' lives. A city where local colour is celebrated and championed and Global Best Practices meet Indian culture.

Harnessing the insight into lifestyle solutions across the world, we created Bhartiya City. Conceived in partnership with our residential brand, Nikoo Homes, this is the first integrated city of its kind in India. An experienced team of professionals comprising some of the best local and international talent in the real estate development industry, with many years of combined experience have collaborated with architects and urban planners of international repute to bring their expertise to Bhartiya City.

Bhartiya's urban mixed-use hub is what binds the city and its varied districts together. Bhartiya City spreads over 125 acre and is being built around a vibrant City Centre. With shopping, hotels, a financial district, IT park, hospital and schools, the many activities and experiences are interconnected by urban spaces of differing scale and character.

Bhartiya city has seen significant progress in the past one year. Handover began last year for Nikoo Homes I and now its is inhabited by over 400 families. The construction of Nikoo Homes II that comprises 2400 homes is under construction and in full swing. The first phase of BCIT (Bhartiya Centre for Information Technology) was completed last year and phase II is under development. It is currently occupied by tenants like IBM, Infosys, Maersk, PFS southerland to name a few. The construction of the Bhartiya City Centre that comprises Retail mall, High Street, Cinema and Convention centre began last year. It spreads across 8 Lakh sq. ft and will offer over 140 brands with PVR signed up as the multiplex partner.

Last year has seen the city coming to life with people and companies moving into the city. Bhartiya City is turning out to be an upcoming destination with various events being held at the city.





DIRECTORS' REPORT

Your Directors have pleasure in presenting the 31st Annual Report and the Audited Financial Statements of the Company for the financial Year Ended 31st March, 2018.

FINANCIAL RESULTS

The consolidated and standalone financial results of the Company for the financial Year Ended 31st March, 2018 are as follows:

(Rs. in Lacs)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Net Sales/ Income from Operations	71,051.66	64,194.24	51,825.97	47,254.75
Other Income	725.54	618.56	526.12	571.14
Total Income	71,777.20	64,812.80	52,352.09	47,825.89
Profit before Interest, Tax & Depreciation	5,408.24	4,659.23	4,392.53	3,734.13
Finance Cost	1,956.06	1,390.45	1,722.71	1,341.74
Profit before Tax & Depreciation	3,452.18	3,268.78	2,669.82	2,392.39
Depreciation	748.27	601.53	628.79	459.09
Profit Before Tax	2,703.90	2,667.25	2,041.03	1,933.31
Tax Expenses	842.61	808.95	727.94	685.21
Net Profit after Tax	1,861.30	1,858.30	1,313.09	1,248.10
Share of Net Profit/(Loss) of Associates	(118.07)	(58.54)	-	-
Net Profit	1,743.23	1,799.76	1,313.09	1,248.10
Other Comprehensive Income	3.39	(6.11)	5.70	(8.30)
Total Comprehensive Income for the Year	1,746.62	1,793.65	1,318.79	1,239.80
Paid up Equity Share Capital	1,218.13	1,174.09	1,218.13	1,174.09
Reserve (Excl. Revaluation Reserve)	36,272.00	25,579.31	24,211.22	22,624.34
Earning per Share (Basic) Rs.	14.42	15.33	10.87	10.65
Earning per Share (Diluted) Rs.	14.28	14.98	10.76	10.58
Dividend	12%	12%	12%	12%

PERFORMANCE REVIEW

On Consolidated basis, during the year under review, the Company achieved a turnover of Rs. 71051.66 Lacs as against Rs. 64194.24 Lacs in the previous year showing an increase of 10.68%. The Net Profit after taxes minority interest and share of profit/(loss) of associates was reported at Rs. 1743.23 Lacs as against Rs. 1799.76 Lacs in the previous year.

On Standalone basis, during the year under review, the Company achieved a turnover of Rs. 51825.97 Lacs as against Rs. 47254.75 Lacs in the previous year showing an increase of 9.67%. The Net Profit after taxes also increased to Rs. 1313.09 Lacs as compared to Rs. 1248.11 Lacs in the previous year showing an increase of 5.20%.

DIVIDEND

Your Directors have recommended a Dividend of Rs.1.20/- per paid-up equity share of Rs. 10/- each (i.e. @ 12%) for the Financial Year Ended 31st March, 2018. The dividend payout is subject to approval of members at the ensuing Annual General Meeting. Together with the Dividend Distribution Tax, the total outflow on account of dividend will be approximately Rs. 1.76 Crore.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Since, the Company is currently not falling under the above category, the requirement of adopting the Policy is currently not applicable to the Company.

RESERVES

During the period under review an amount of Rs. 2 Crore has been transferred to Reserves of the Company.

SHARE CAPITAL

During the year under review, the following changes had taken place in the Paid-up Equity Share Capital of the Company:

Dates	Description	No. of Shares of Face Value of Rs.10/- each	Total Value of Shares in Rs.
1 st April, 2017	Share Capital at the beginning of the year	11740945	11,74,09,450
Add			
14 th April, 2017	Equity shares allotted pursuant to conversion of Warrants	400000	40,00,000
3 rd May, 2017	Equity Shares allotted pursuant to ESOP scheme	681	6,810
4 th September, 2017	Equity Shares allotted pursuant to ESOP scheme	4892	48,920
8 th January, 2018	Equity Shares allotted pursuant to ESOP scheme	15271	1,52,710
12 th March, 2018	Equity Shares allotted pursuant to ESOP scheme	11849	1,18,490
31 st March, 2018	Equity Shares allotted pursuant to ESOP scheme	7616	76,160
31 st March, 2018	Share Capital at the end of the year	12181254	12,18,12,540

As on 31st March, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

EMPLOYEES STOCK OPTION PLAN

During the year under review, the Company has granted 30,000 stock options to eligible employees of the Company based on their performance under the Employee Stock Option Plan 2013.

During the year under review, the Company has allotted 40309 equity shares of Rs. 10/- each on exercise of vested options by certain employees of the Company and its subsidiaries.

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.

The Company has received a certificate from the Statutory 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, 2018, is set out in **Annexure A** to this Report.

FINANCIAL STATEMENTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the Year Ended on 31st March, 2018 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, 2018.

DETAILS AND PERFORMANCE OF SUBSIDIARY COMPANIES**Domestic Subsidiaries****Bhartiya Global Marketing Ltd.**

It is a Global Marketing Company engaged in export of textile and leather garments. The total revenues of the Company was Rs. 2,831,670/- and the net loss was Rs. 1,300,451/- during the financial year 2017-18.

J&J Leather Enterprises Ltd.

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 was Rs.138,689,406/- and the net profit was Rs. 2,398,917/- during the financial year 2017-18.

Bhartiya International SEZ Ltd.

The Company is incorporated to develop sector specific Special Economic Zone (SEZ) of Leather & Leather Products. It is a joint venture between Bhartiya International Ltd. and Andhra Pradesh Industrial Infrastructure Corporation. The total revenues of the Company was Rs. 3,690,476/- and the net loss was Rs. 3,111,387/- during the financial year 2017-18.

Bhartiya Fashion Retail Ltd.

The Company had registered a profit of Rs. 754,681/- for the financial year 2017-18.

Bhartiya Urban Infrastructure Ltd.

The Company had registered a loss of Rs. 9,488/- for the financial year 2017-18.

Overseas Subsidiaries**Ultima S.A. Switzerland**

The Company is engaged in marketing and selling of outwears including leather garments, accessories and textile products in Europe. The total revenues of the Company was CHF 26,840,206.87 and the net profit was CHF 709,095.28 during the financial year 2017-18.

World Fashion Trade Ltd., Mauritius

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China, India and Bangladesh for marketing and selling in Europe and US markets. The total revenues of the Company was HK\$ 14,129,495 and the Company has registered a net profit of HK\$ 310,332 for the period ended 31st March, 2018.

Ultima Italia SRL, Italy

This company markets all fashion products including fur and leather garments in Italian market. The total revenues of the Company was Euro 2,184,835 and the net profit was Euro 15,005 during the financial year 2017-18.

Design Industry Ltd., 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 was HK\$ 97,366,751 and the net profit was HK\$ 368,979.

Design Industry China Ltd., China

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 was RMB Yuan 4,060,675.30 and the net loss was RMB Yuan 504,675.67.

New Subsidiary/Associate Company incorporated /dissolved during the year

During the year under review, Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. an Associate Company of Bhartiya International Ltd. has merged with Bhartiya City Developers Pvt. Ltd. and ceased to exist.

Accordingly, Bhartiya City Developers Pvt. Ltd. has become an Associate Company of Bhartiya International Ltd..

Bhartiya City Developers Pvt. Ltd. is having two wholly owned subsidiaries, namely: Milestone Buildcon Pvt. Ltd. and Bhartiya Developers Consortium Pvt. Ltd..

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 of this Report.

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 Auditors confirming compliance forms an integral part of this Report.

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 is provided in a separate section and forms an integral part of this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, forms an integral part of this Report. The same is provided herewith as **Annexure B**.

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: -

1. BSE Ltd.
2. The National Stock Exchange of India Ltd.

The Annual Listing fee for the Financial Year 2018-2019 has already been paid to both the above Stock Exchanges.

DIRECTORS

Mr. Sanjay Baweja (DIN: 00232126) Independent Director of the Company stepped down from the said position with effect from 3rd October, 2017, on account of his taking new position on employment basis within the Group. The Board places on record its appreciation for contribution made by him during his tenure as Independent Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Ramesh Bhatia (DIN: 00052320) 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.

Mr. Ashok Kumar Gadhok (DIN: 01254410), Whole-Time Director of the Company resigned from the Board of the Company with effect from 16th April, 2018, on account of his age, seniority and increasing personal engagements, after having served the Group for almost two decades. Your directors would like to place on record their sincere gratitude for the enormous contribution made by Mr. Ashok Kumar Gadhok as the Whole-Time Director of the Company. The Company and the Board benefitted immensely from Mr. Gadhok's vast experience, knowledge and insights.

Further, the tenure of Ms. Jaspal Sethi (DIN: 01689695) as Whole-Time Director concluded on 31st July, 2018. Due to her other important commitments, she has conveyed her inability to continue as a Director. The Company and the Board benefitted immensely from Ms. Jaspal Sethi's vast experience, knowledge and insights and your Board places on record their sincere gratitude for the enormous contribution made by her during her service.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Robert Burton Moore Jr. (DIN: 08108097) as an Additional Director on 16th April, 2018 to hold office as Non-Executive Director of the Company, subject to approval of members of the Company. He would be liable to retire by rotation.

In addition, based on the recommendation of Nomination and Remuneration Committee, Mr. Manoj Khattar (DIN:00694981) was appointed as Additional Director to function in the capacity of Whole-Time Director and Chief Financial Officer (CFO) of the Company with effect from 13th August, 2018, subject to approval of members in the ensuing Annual General Meeting. Appropriate resolutions seeking his appointment as Whole-Time Director along with the terms and conditions forms part of AGM Notice.

The Company has received notice in writing from member under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Robert Burton Moore Jr. and Mr. Manoj Khattar as Director and Whole-Time Director, respectively. Mr. Manoj Khattar will hold the position of CFO(KMP) of the Company alongside the position of Whole-Time Director.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appropriate Resolutions seeking your approval for re-appointment of Mr. Ramesh Bhatia as Director, appointment of Mr. Manoj Khattar as Whole-Time Director and Mr. Robert Burton Moore Jr. as Non-Executive Director is included in the Notice.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

Sl. No.	Name of the person	Designation
1	Mr. Snehdeep Aggarwal	Managing Director
2	Mr. Manoj Khattar	Additional Director & Chief Financial Officer
3	Ms. Shilpa Budhia	Company Secretary

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 2017-18 is provided in the Corporate Governance Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Managing Director, Whole-Time Directors and the other Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2017-18, five Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2017-18 forms part of the Corporate Governance Report. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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.

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.bhartiyafashion.com).

NOMINATION AND REMUNERATION 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. This policy also lays down the criteria for selection and appointment of Board members. The details of this policy are explained in the Corporate Governance Report.

RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in the form AOC-2 is not required. Further, there are no material related party transactions during the year under review with Promoters, Directors or Key Managerial Personnel. All related party transactions are mentioned in the Notes to the Financial Statements.

All related party transactions are placed before the Audit Committee as also to the Board for approval.

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 are placed before the Audit Committee and Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web link of the same is www.bhartiyafashion.com. Mr. Robert Burton Moore Jr. is obtaining professional fees for holding office or place of profit in the Company. None of the other Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

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, 2018, 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, 2018 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.

STATUTORY AUDIT

At the last Annual General Meeting (AGM) held on 27th September, 2017, M/s. K A S G & Co., Chartered Accountants (Firm Registration No. 002228C) were 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 31st Annual General Meeting.

The Report given by M/s. K A S G & Co., Chartered Accountants, Statutory Auditors on the financial statement of the Company for the year 2017-18 is 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 had not reported 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.

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 2018-19.

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.

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. The Secretarial Audit Report is included as **Annexure C** and forms an integral part of this report.

There is no secretarial audit qualification for 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.

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the field of education by mainly providing scholarship to the students and extending donations/fund towards construction of school.

These projects are in accordance with the Schedule VII of the Companies Act, 2013 and the Company's CSR Policy. The report on CSR activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as **Annexure D** forming part of this report.

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 work place 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 Work Place (Prevention, Prohibition and Redressal) Act, 2013 (14 of 2013).

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, 2018 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in the **Annexure E** forming part of this report.

HUMAN RESOURCES

Human Resources in the organization is working round the clock to support the business to excel in terms of acquiring best talent and bringing the best practices to develop the existing talent. As it is said that empowered and energized workforce results into superior business performance, so has been witnessed in Bhartiya business too.

Since technology is the utmost need to support the people's need, the HR team innovates their portal from time-to-time to keep abreast with the changing technology and making lives easy. There has been constant changes and efforts to advance the technology piece and link it with people practices.

Overall the HR team is constantly working to develop the leadership and assist people in developing themselves to face the ever challenging and volatile business environment.

PARTICULARS OF EMPLOYEES

During the financial year 2017-18, the Company had 324 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.

TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, 41620 Equity shares of face value of Rs. 10/- each of 352 Shareholders of the Company, have been transferred/ credited to the Demat account of Investor Education and Protection Fund Authority (IEPF Authority) in accordance with Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, whose dividend has not been encashed on such shares, since last seven consecutive years. The details thereof are available under 'Investor Section' on the Website of the Company viz. www.bhartiyafashion.com. Any person whose shares and/or unclaimed dividend has been transferred to the IEPF Authority May, claim the shares and/or apply for refund in respect of unclaimed dividend, as the case May, be, under the provisions of the Companies Act, 2013 and rules made thereunder.

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.

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, 2018.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial Year Ended on 31st March, 2018 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

Gurugram, 13th August, 2018

Snehdeep Aggarwal
Managing Director
DIN: 00928080

Sandeep Seth
Director
DIN: 01408624

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.

- * 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]
- * Diluted EPS on issue of shares in accordance with "Accounting Standard 20 - Earnings Per Share" issued by ICAI: Rs. 13.40/-

A. Details related to Employees Stock Option Plan, 2013

Name of the Scheme	Employees Stock Option Plan, 2013
Date of shareholders approval	23rd September, 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 a within 5 years from the date of such respective vesting.
Source of shares	Fresh issue of shares
Variation in terms of options	None
Method used for accounting of ESOPs	Intrinsic 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.	Had the Compensation Cost for the Company's Stock based compensation plan been determined in the manner consistent with the Fair Value approach as described in the Guidance Note of ICAI, the Company's net Profit would be lower by Rs. 8.12 lakhs (Previous Year lower by Rs. 313.36 lakhs).
	(Rs. in lakhs)
	FY 2017-18
	Particulars
	Profit after tax 1,318.79
	Add: Employee compensation cost as per intrinsic value 111.81
	Less: Employee compensation cost as per fair value 119.93
	Adjusted profit after tax 1,310.67
	EPS (as reported)
	Basic 10.87
	Diluted 10.76
	EPS (as adjusted)
	Basic 10.80
	Diluted 10.69

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

Particulars	Year Ended 31 st March, 2018
Senior managerial personnel	30000
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.	NA
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.	NA

C. The activity in the Employees Stock Option Plan during the Year Ended 31st March, 2018 is as under:

Particulars	Year Ended 31st March, 2018		
Number of options outstanding at the beginning of the period	115,329		
Number of options granted during the year	30,000		
Number of options forfeited / lapsed during the year	12,016		
Number of options vested during the year	39,812		
Number of options exercised during the year	40,309		
Number of shares arising as a result of exercise of options	40,309		
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 2015450		
Loan repaid by the Trust during the year from exercise price received	NA		
Number of options outstanding at the end of the year	93,004		
Number of options exercisable at the end of the year	16,954		
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	450.00 237.71		
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	16th September, 2015	31st December, 2015	3rd February, 2018
Weighted average share price	Rs. 468.70	Rs 521.15	Rs. 463.55
Exercise price	Rs. 50.00	Rs. 50.00	Rs. 450.00
Expected volatility	29.24%	33.10%	25.71%
Option life (comprising of weighted average of vesting period and exercise period)	7 years	7 years	8 years
Expected dividends	0.21%	0.19%	0.26%
Risk free rate of return	8.17%	7.96%	7.82%
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
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial Year Ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L74899TN1987PLC111744
 ii) Registration Date : 07.01.1987
 iii) Name of the Company : Bhartiya International Ltd
 iv) Category Sub-Category of Company : Public Ltd. Company
 v) Address of the Regd. Office : 56/7, Nallambakkam Village,
 and contact details : (Via Vandalur), Chennai- 600 048
 Tel: 9551050418/19/20/21
 vi) Whether listed company : Yes
 vii) Name, Address and Contact details : Mas Service Ltd.
 of Registrar and Transfer Agent, if any : Okhla Industrial Area,
 Phase-II, New Delhi- 110 020
 Phone No. 011- 26387281-83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.N.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Leather & Textile Products	1410 and 1512	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya Global Marketing Ltd. E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74899DL1996PLC075128	Indian Subsidiary Company	100%	2(87)
2	J & J Leather Enterprises Ltd 56/7, Nallambakkam Village, (Via Vandalur), Chennai – 600 048	U18209TN1991PLC020874	Indian Subsidiary Company	100%	2(87)
3	Bhartiya International SEZ. Ltd E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110 030	U74999DL2007PLC159827	Indian Subsidiary Company	88.95%	2(87)
4	Bhartiya Fashion Retail Ltd E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110 030	U17120DL2009PLC193608	Indian Subsidiary Company	100%	2(87)
5	Bhartiya Urban Infrastructure Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai- 600048	U70100TN2015PLC101707	Indian Subsidiary Company	100%	2(87)
6	World Fashion Trade Ltd, Mauritius Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	-	Overseas subsidiary Company	100%	2(87)
7	Ultima S.A., Switzerland Avenue J.-J. Rousseau-7, CH-2001, Neuchatel, Switzerland	CH-645-40960339	Overseas Subsidiary Company	100%	2(87)
8	Ultima Italia SRL, Italy Via Vincenzo Monti, 21 20123 Milano (MI), Italy	-	Overseas Subsidiary Company	100%	2(87)

S.N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
9	Design Industry Ltd. Room 1104, Crawford House, 70 Queen Road Central, Hong Kong	-	Overseas Subsidiary Company	100%	2(87)
10	Design Industry China Ltd Room 407-1, Tower 8, United Plaza, No. 58 Qianjiang Road, Hangzhou, China	-	Overseas Subsidiary Company	100%	2(87)
11	Tada Mega Leather Cluster Pvt. Ltd E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74140DL2013PTC249002	Associate Company	50%	2(6)
12	Bhartiya City Developers Pvt. Ltd. 56/7, Nallambakkam Village (Via Vandalur), Chennai- 600048	U45200TN2008PTC103956	Associate Company	36.77%	2(6)
13	Bhartiya Developers Consortium Pvt. Ltd. Plot no. 38, Sector-44, Gurugram-122002	U45201HR2005PTC036107	Associate Company	36.77%	2(6)
14	Milestone Buildcon Pvt. Ltd. 56/7, Nallambakkam Village (Via Vandalur), Chennai- 600048	U45201TN2005PTC112747	Associate Company	36.77%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter(s)									
(1) Indian									
a) Individual/ HUF	2102636	130000	2232636	19.02	2232636	-	2232636	18.33	(0.69)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate.	3561926	-	3561926	30.34	3561926	-	3561926	29.24	(1.10)
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	5664562	130000	5794562	49.36	5794562	-	5794562	47.57	(1.79)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	5664562	130000	5794562	49.36	5794562	-	5794562	47.57	(1.79)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	3000	3000	0.03	-	-	-	-	(0.03)
b) Banks / FI	2200	300	2500	0.02	16253	200	16453	0.14	0.12
c) Central Govt.	-	-	-	-	39989	0	39989	0.33	0.33
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	25000	-	25000	0.21	25705	-	25705	0.21	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	292	22700	22992	0.20	2	22500	22502	0.18	(0.02)
Sub-total (B)(1):	27492	26000	53492	0.46	81949	22700	104649	0.86	0.40
2. Non- Institutions									
a) Bodies Corporate.									
i) Indian	2733082	-	2733082	23.27	2966938	-	2966938	24.36	1.09
ii) Overseas	746815	-	746815	6.36	984789	-	984789	8.08	1.72
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	876796	123836	1000632	8.52	964301	81604	1045905	8.59	(0.07)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1171488	-	1171488	9.97	967982	-	967982	7.95	(2.02)
c) Others	-	-	-	-	-	-	-	-	-
(1) Trusts	-	-	-	-	-	-	-	-	-
(2) Foreign National	-	-	-	-	-	-	-	-	-
(3) Non Resident Indian	25340	-	25340	0.22	33939	1000	34339	0.28	0.06
(4) Clearing Members	15083	-	15083	0.13	22050	-	22050	0.18	0.05
(5) Hindu Undivided Family	77651	-	77651	0.66	129624	-	129624	1.06	0.40
(6) Director(s)	98600	24200	122800	1.05	98600	24200	122800	1.01	(0.04)
Sub-total (B)(2)	5744855	148036	5892891	50.18	6168223	106804	6274427	51.51	1.33
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5730047	319239	6049286	51.64	6250172	129504	6379076	52.37	0.73
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)*	11436909	304036	11740945	100	12044734	129504	12173638	100	-

* Note: 7616 Equity shares of face value of Rs. 10/ each allotted on 31st March, 2018 is not taken into account as the same was pending for listing as on 31st March, 2018.

(ii) Shareholding of Promoters

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Snehdeep Aggarwal	1143362	9.74	-	1143362	9.39	-	(0.35)
2	Ramesh Bhatia	340250	2.90	-	340250	2.79	-	(0.11)
3	Arjun Aggarwal	496150	4.23	-	496150	4.07	-	(0.16)
4	Parushini Aggarwal	7500	0.06	-	7500	0.06	-	0
5	Pawan Aggarwal	5000	0.04	-	5000	0.04	-	0
6	Kanwal Aggarwal	190374	1.62	-	190374	1.56	-	(0.06)
7	Snehdeep & Co. HUF	50000	0.43	-	50000	0.41	-	(0.02)
8	Bhartiya Global Ventures Pvt. Ltd	1850000	15.76	-	1850000	15.19	-	(0.57)
9	Bhartiya Advisory Services Pvt. Ltd	681926	5.81	-	681926	5.60	-	(0.21)
10	Bhartiya Infotech Pvt. Ltd	1000000	8.52	-	1000000	8.21	-	(0.31)
11	R.L. Bhatia Associates Pvt. Ltd	30000	0.25	-	30000	0.25	-	0
	TOTAL	5794562	49.36	-	5794562	47.57	-	(1.79)

(iii) Change in Promoters' Shareholding please specify, if there is no change)

S. N.	Particulars	Shareholding at the beginning of the year		Changes (Increase/ Decrease)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	Percentage	No. of shares	% of total shares of the company
NO CHANGE							

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1	Girish Shankarlal Dhoot	315000	2.68	315000	2.59
2	Srinivas BS	126112	1.07	126112	1.04
3	Superfine Carpets Pvt. Ltd.	613533	5.23	1236684	10.15
4	Vinod Infotech Pvt. Ltd.	115872	0.99	193888	1.59
5	Dwarkadhish Trading Pvt. Ltd.	235000	2.00	190000	1.56
6	TIMF Holdings	467000	3.98	706474	5.80
7	Karuna Ventures Pvt. Ltd.	0	0.00	400000	3.28
8	Share Point LLP	285500	2.43	285500	2.34
9	Morgan Stanley Asia (Singapore) Pte	278315	2.37	278315	2.28
10	Mangal Keshav Capital Ltd.	23173	0.20	91000	0.75

*The shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(v) **Shareholding of Directors and Key Managerial Personnel:**

S. N.	Shareholding of each Directors and each Key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Snehdeep Aggarwal				
	At the beginning of the year	1143362	9.74	1143362	9.39
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	1143362	9.39
2	Mr. A.K. Gadhok				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
3	Mr. Ramesh Bhatia				
	At the beginning of the year	340250	2.90	340250	2.79
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. Allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	340250	2.79
4	Ms. Annapurna Dixit				
	At the beginning of the year	4000	0.03	4000	0.03
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	4000	0.03
5	Ms. Jaspal Sethi				
	At the beginning of the year	98800	0.84	98800	0.81
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	98800	0.81
6	Mr. Nikhil Aggarwal				
	At the beginning of the year	20000	0.17	20000	0.16
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	20000	0.16
7	Mr. Shashank				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
8	Mr. A. Sahasranaman				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil

S. N.	Shareholding of each Directors and each Key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	Mr. C. L. Handa				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
10	Mr. Sandeep Seth				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
11	Mr. Sanjay Baweja				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
12	Mr. Manoj Khattar				
	At the beginning of the year	9250	0.08	9250	0.08
	Purchase of Shares - 4th April 2017	5000	0.04	14250	0.12
	Purchase of Shares - 6th April 2017	5000	0.04	19250	0.16
	Sale of Shares - 20th September 2017	(2000)	0.02	17250	0.14
	At the End of the year	-	-	17250	0.14
13	Ms. Shilpa Budhia				
	At the beginning of the year	Nil	Nil	1	0.00
	Allotment of shares under ESOP – 8 th January 2018			357	0.003
	Sale of shares – 19 th January 2018			(158)	0.001
	Sale of shares – 2 nd February 2018			(100)	0.000
	Sale of shares – 5 th February 2018			(100)	0
	At the End of the year	-	-	Nil	Nil

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (In Rs.)
		Mr. Snehideep Aggarwal	Mr. A. K. Gadhok	Ms. Jaspal Sethi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1800000	695656	1268250	3763906
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	8100	-	47700
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	1839600	703756	1268250	3811606
	Ceiling as per the Act	(Ceiling as per the Act @ 10% of profits calculated under Calculated under Section 198 of the Companies Act, 2013)			

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors								Total Amount (in Rs.)
		Mr. A. Sahasranaman	Mr. Shashank	Mr. Sandeep Seth	Mrs. Annapurna Dixit	Mr. C. L. Handa	Mr. Nikhil Aggarwal	Mr. Ramesh Bhatia	Mr. Sanjay Baweja	
	· Fee for attending board committee meetings	10000	22500	27500	10000	25000	-	2500	5000	102500
	· Commission	-	-	-	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-	-	-	-
	Total	10000	22500	27500	10000	25000	-	2500	5000	102500
	Overall Ceiling as per the Act	(Ceiling as per the Act @ 10% of profits calculated under Section 198 of the Companies Act, 2013)								

Total Managerial Remuneration is Rs. 3,914,106/- (Rupees Thirty Nine Lacs Fourteen Thousand One Hundred Six Only)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

S.N	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1222844	9595424	10818268
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	178487	1020836	1199323
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option (balance in nos.)	400	3340	3740
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify			
	Total	1401331	10616260	12017591

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,576,965,009	-	-	2,576,965,009
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,131,954	-	-	1,131,954
Total (i+ii+iii)	2,578,096,963	-	-	2,578,096,963
Change in Indebtedness during the financial year				
· Addition	298,463,092	-	-	298,463,092
· Reduction	51,912,779	-	-	51,912,779
Net Change	246,550,313	-	-	246,550,313
Indebtedness at the end of the financial year				
i) Principal Amount	2,823,515,322	-	-	2,823,515,322
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,252,793	-	-	3,252,793
Total (i+ii+iii)	2,826,768,115	-	-	2,826,768,115

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the Year Ended 31st March, 2018.

ANNEXURE C
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL Year Ended ON 31STMARCH, 2018

[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 Ltd.
 56/7, Nallambakkam Village (Via Vandalur)
 Chennai, Tamil Nadu - 600 048

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Bhartiya International Ltd. (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 31st March, 2018 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, 2018 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, notified on 28th October 2014
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (**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 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, 2009; (**Not applicable to the Company during the audit period**) ; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.(**Not applicable to the Company during the audit period**) ; and

6. We further report that, we have relied on the representation made by the management for systems and mechanism formed by the company for compliances under other applicable Acts, laws and Regulations to the Company.
7. 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 audit and other designated professionals.
8. We have also examined the compliances with the applicable clauses of the following:-
 - (i) Secretarial Standards issued by the Institute of Company Secretaries of India and made effective from July 1, 2015.
 - (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

9. 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

Majority of 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.

10. We further report that during the audit period, there was 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 and form an integral part of this report.

For RSM & CO.
Company Secretaries

Ravi Sharma
Partner
FCS No.4468, C. P. NO. 3666

New Delhi, 25th June, 2018

R S M & Co.
COMPANY SECRETARIES

D-63, JFF COMPLEX,
JHANDEWALAN, NEW DELHI 110 055
PHONE 011 236 238 13, 9911919008
Email.contact@csrsm.com

The Members
Bhartiya International Ltd.
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, rule and regulations, standards is the responsibility of the Management. Our examination was Ltd. to the verification of procedures on 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

RAVI SHARMA
PARTNER
FCS NO.4468, C. P. NO. 3666

Dated: 25th June, 2018
Place: New Delhi

Annexure – D
Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Policy, duly approved by the Board of Directors has been uploaded on the Company website www.bhartiyafashion.com . The policy contains the exhaustive list of programmes that can be undertaken by the Company during any period of time. During the financial year 2017-18, the company had mainly catered towards providing scholarship to the students and promotion of education and training.					
2.	The Composition of the CSR Committee	Mr. Snehdeep Aggarwal – Chairman Mr. Ramesh Bhatia – Member Mr. Sandeep Seth - Member					
3.	Average net profit of the Company for last three financial years	Rs. 22.76 crores					
4.	Prescribed CSR Expenditure (2% of the above mentioned amount)	Rs. 45.51 lakhs					
5.	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year; (b) Balance brought forward from previous year (c) Total amount spent (d) Amount unspent, if any;	Rs. 45.51 lakhs Rs. 32.04 lakhs Rs. 13.25 lakhs Rs. 64.30 lakhs					
(e) Manner in which the amount spent during the financial year is detailed below.							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct
1	Scholarships to Students	Promoting Education	Bengaluru, Karnataka and Delhi NCR	Rs.1,055,500/-	Direct - Rs.1,055,500/-	Rs.1,055,500/-	Rs.1,055,500/-
2	Donation towards construction of rooms in School (Sri Krishna Vidya Mandir), in Bengaluru, a unit of Sri Lakshmi Venkatesha Prathistana, an NGO working in the Educational sector for last 30 years.	Promoting Education	Bengaluru, Karnataka	Rs. 270,000/-	Direct – Rs. 270,000/-	Rs. 270,000/	Rs. 270,000/
TOTAL (Rs.)				1,325,500/-	1,325,500/-	1,325,500/-	1,325,500/-

- 6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Company is identifying the suitable CSR projects to be undertaken. The Company will spend the balance amount in the coming years in a phased manner.

- 7. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.**

Chairman and Managing Director
Gurugram, 13th August, 2018

Chairman of CSR Committee

Annexure - E

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 contained in notes to the accounts.

For and on behalf of the Board

Gurugram , 13th August, 2018

Snehdeep Aggarwal
Managing Director
DIN: 00928080

Sandeep Seth
Director
DIN: 01408624

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Ltd. 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 2017-18, the Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 and other applicable clauses of SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

The detailed Corporate Governance Report of BIL is as follows:

BOARD OF DIRECTORS

a. Composition of the Board:

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

The Board is broad-based and consists of eminent individuals from industry, management, technical, financial 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 of the Company consists of Ten Directors and Seven out of them are Non-Executive Directors. There are Five Independent Directors on the Board who are professionals with high credentials and actively contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions. The Board comprises of two woman Directors, One Independent and One Whole-Time Director.

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	No. of other Directorships	Memberships/ Chairmanships of other Committees
Mr. Snehdeep Aggarwal	00928080	07-01-1987	Managing Director	-	-
Mr. A. K. Gadhok #	01254410	01-04-1999	Executive Director (Whole-Time Director)	2	-
Ms. Jaspal Sethi*	01689695	29-06-1997	Executive Director (Whole-Time Director)	1	-
Mr. Ramesh Bhatia	00052320	06-09-1987	Non-Executive Non-Independent Director	2	-
Mr. Nikhil Aggarwal	01891082	04-10-2007	Non-Executive Non-Independent Director	-	-

Name	Director Identification Number	Date of Appointment	Category of Directors	No. of other Directorships	Memberships/ Chairmanships of other Committees
Mr. C. L. Handa	00928283	26-05-2004	Non-Executive Independent Director	3	-
Mr. Sandeep Seth	01408624	28-02-2002	Non-Executive Independent Director	2	-
Mr. Shashank	01569514	30-07-2007	Non-Executive Independent Director	1	-
Mr. A. Sahasranaman	01983690	30-06-2008	Non-Executive Independent Director	-	-
Ms. Annapurna Dixit	06844250	18-09-2014	Non-Executive Independent Director	1	-
Mr. Sanjay Baweja **	00232126	05-12-2016	Non-Executive Independent Director	-	-

* Ms. Jaspal Sethi has ceased to be Director on 31st July, 2018 consequent to her completion of tenure as Whole-Time Director.

Mr. A. K. Gadhok has resigned from the post of Whole-Time Director with effect from 16th April, 2018.

** Mr. Sanjay Baweja has resigned from the post of Director with effect from 3rd October 2017.

Notes:-

1. The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Pvt. Ltd. Companies.
2. Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Ltd. Companies (excluding Bhartiya International Ltd.) 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.
3. 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 and 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.bhartiyafashion.com.

b. 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 Bhartiya Group www.bhartiyafashion.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.

c. 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 2017-18, the Board met five times. The meetings were held on 14th April 2017, 29th May, 2017, 12th August, 2017, 7th December, 2017, and 13th February, 2018. 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.

The attendance of Directors at the Board meetings held during the financial year ended 31st March, 2018 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. A. K. Gadhok	2	Absent
Ms. Jaspal Sethi	4	Absent
Mr. Ramesh Bhatia	1	Present
Mr. C. L. Handa	4	Present
Mr. Sandeep Seth	5	Present
Mr. Shashank	3	Absent
Mr. A. Sahasranaman	4	Absent
Mr. Nikhil Aggarwal	4	Absent
Ms. Annapurna Dixit	4	Absent
Mr. Sanjay Baweja	2	Absent

*Includes Meeting attended through Video/Tele Conference.

Information Supplied to the Board

The Board has complete access to all the information with the Company. Adequate information is circulated as part of the Agenda papers and also placed before the Board for taking decision. The information required to be placed before the Board includes:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments
4. Minutes of meetings of audit committee and other committees of the board.
5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, May, have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non- payment of dividend, delay in share transfer etc.

Post Meeting Mechanism

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

Board Support

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

Familiarization Programme for Independent Directors

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

Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he 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.

Insider Trading Code

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("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.bhartiyafashion.com. All Board members and Senior Management Personnel affirm compliance with the code on an annual basis and the declaration to that effect by Mr. Snehdeep Aggarwal, Managing Director, 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.

WHISTLE BLOWER POLICY

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.

COMMITTEES OF THE BOARD

The Board of Directors has 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

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 are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Mr. Sandeep Seth is the Chairman of the Audit Committee. Mr. Shashank and Mr. C. L. Handa are the members of the Audit Committee

Ms. Shilpa Budhia, Company Secretary acts as Secretary of the Audit Committee.

(ii) Meetings and Attendance during the Financial Year 2017-2018

The Members of the Audit Committee met four times during the Financial Year 2017-2018. 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 27th May, 2017, 11th August, 2017, 6th December, 2017 and 12th February, 2018. 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	27.05.2017	11.08.2017	06.12.2017	12.02.2018
Mr. Sandeep Seth	P	P	P	P
Mr. Shashank	P	P	P	P
Mr. C.L. Handa	P	P	P	P

Terms of Reference

The Audit Committee inter-alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussion and Analysis, Review of Internal Audit Reports, significant related party transactions.

(iii) Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(iv) The role of Audit Committee includes

- 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
 - Qualifications in draft audit report
- e. Reviewing with the management, the quarterly 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 auditors 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. 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 (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate
- t. 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.
- u. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- v. 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
- w. 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.

(B) NOMINATION AND REMUNERATION COMMITTEE

(i) Composition

The Committee comprises of three Non-Executive Independent Directors in pursuant to Regulation 19 of the SEBI Listing Regulations. Mr. Sandeep Seth is the Chairman of the Committee. Other members of the Nomination and Remuneration Committee are Mr. Shashank and Mr. C. L. Handa. Ms. Shilpa Budhia, 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 2017-2018

The Nomination and Remuneration Committee met Seven 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	03.05.2017	22.05.2017	04.09.2017	08.01.2018	03.02.2018	12.03.2018	31.03.2018
Mr. Sandeep Seth	P	P	P	P	P	P	P
Mr. C.L.Handa	P	P	P	P	P	P	P
Mr. Shashank	P	P	P	P	P	P	P

(iii) Terms of reference

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

- 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;
- Evaluating the skill, knowledge, experience and effectiveness of individual directors as well as the Board as a whole;
- Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors which includes a policy on Board diversity;
- 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;
- Payment of remuneration to the directors shall be approved by a resolution passed by the Nomination and Remuneration Committee;
- 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;
- 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;
- 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;
- The relevant disclosures will be made in the Annual Report of the Company and wherever required;
- 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) Remuneration Policy

Remuneration of the Managing Director or Executive Director is determined periodically by the Nomination and Remuneration Committee within the permissible limits under the applicable provisions of law and as approved by Shareholders. Non- Executive Directors are paid sitting fees within the limits prescribed under law.

Remuneration to Executive Directors for the financial year 2017-2018 is as under:

Name of the Director	Salary (Rs.)*
Mr. Snehdeep Aggarwal	18,39,600
Ms. Jaspal Sethi	12,68,250
Mr. A. K. Gadhok	7,03,756

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

The details of sitting fees paid for attending the Board/Committee Meetings to the Non-Executive Directors for the financial year 2017-2018 is as under: -

Name of the Director	Board Meeting Fees (Rs.) *	Committee Meeting Fees (Rs.)*	Total (Rs.)
Mr. C. L. Handa	10000	15000	25000
Mr. Ramesh Bhatia	2500	-	2500
Mr. A. Sahasranaman	10000	-	10000
Mr. Shashank	7500	15000	22500
Mr. Sandeep Seth	12500	15000	27500
Mr. Nikhil Aggarwal	-	-	-
Ms. Annapurna Dixit	10000	-	10000
Mr. Sanjay Baweja	5000	-	5000

* The above amounts are exclusive of taxes.

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS AS ON 31ST MARCH, 2018

Name of the Director	Category	Number of shares held	No. of Convertible instruments held
Mr. Ramesh Bhatia	Non- Executive	340250	Nil
Mr. Nikhil Aggarwal	Non-Executive	20000	Nil
Mr. C.L. Handa	Independent Non-Executive	Nil	Nil
Mr. Shashank	Independent Non-Executive	Nil	Nil
Mr. A. Sahasranaman	Independent Non-Executive	Nil	Nil
Mr. Sandeep Seth	Independent Non-Executive	Nil	Nil
Ms. Annapurna Dixit	Independent Non-Executive	4000	Nil

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, 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.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Managing Director and Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

(C) 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. Sandeep Seth is the Chairman of the Stakeholders Relationship Committee. Other members of the Stakeholders Relationship Committee are Mr. Shashank and Mr. C. L. Handa.

Ms. Shilpa Budhia, Company Secretary and Compliance Officer, acts as Secretary to the Committee.

(ii) Meetings and attendance during the Financial Year 2017-2018

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

Director	26.05.2017	31.07.2017	21.11.2017	05.02.2018
Mr. Sandeep Seth	P	P	P	P
Mr. C. L. Handa	P	P	P	P
Mr. Shashank	P	P	P	P

(iii) Terms of Reference

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

- Oversee and review all matters connected with the transfer, transposition and transmission of the Company's securities;
- 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 34 (Thirty Four) only and all of them have been redressed/answered to the satisfaction of shareholders. There was one grievance which was pending during the previous financial year which was resolved in FY 2017-18. There was no investor grievance remained unattended or pending as on 31st March, 2018.

(D) 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. Ramesh Bhatia and Mr. Sandeep Seth. Ms. Shilpa Budhia, Company Secretary acts as Secretary of the CSR Committee. The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013.

(ii) Meetings and Attendance during the financial year 2017-2018

Two Meetings of the Committee were held during the year.

Director	27.09.2017	31.03.2018
Mr. Snehdeep Aggarwal	A	P
Mr. Ramesh Bhatia	P	A
Mr. Sandeep Seth	P	P

(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 CSR Committee, the Directors have refused to take sitting fees payment.

(E) SHARE TRANSFER COMMITTEE

(i) Composition

Ms. Jaspal Sethi was inducted as a member of the Share Transfer Committee on 13th February, 2018. The Share Transfer Committee comprised Mr. Snehdeep Aggarwal, Mr. A. K. Gadhok and Ms. Jaspal Sethi as members as on 31st March, 2018. However, pursuant to resignation of Mr. A. K. Gadhok from the post of Whole Time Director, Mr. Snehdeep Aggarwal and Ms. Jaspal Sethi continued as members thereafter.

(ii) Meetings and Attendance during the financial year 2017-2018

Eight Meetings of the Committee were held during the year on 28th April 2017, 31st July 2017, 12th October 2017, 31st October 2017, 20th November 2017, 4th December 2017, 8th January 2018, 3rd February, 2018. The members of the committee were present in all the Meetings.

(iii) Terms of Reference

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Share Transfer Committee.

(F) MANAGEMENT COMMITTEE

(i) Composition

Management Committee comprised of Mr. Snehdeep Aggarwal, Mr. A.K. Gadhok and Mr. C. L. Handa as members. Post resignation of Mr. A. K. Gadhok, Mr. Snehdeep Aggarwal and Mr. C. L. Handa continue as the members of the Committee.

(ii) Meetings and Attendance during the financial year 2017-2018

Fifteen Meetings of the Committee were held during the year on 17th April 2017, 6th May, 2017, 24th May, 2017, 22nd June 2017, 29th June 2017, 29th August 2017, 3rd October 2017, 7th November 2017, 13th

November 2017, 30th November, 2017, 3rd January, 2018, 10th January, 2018, 22nd February, 2018 23rd March 2018 and 27th, March 2018. The members were present in all the meetings of the Committee.

(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.500 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/liaising 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.

(G) MEETING OF INDEPENDENT DIRECTORS

As per Regulation 25(3) and 25(4) of the SEBI Listing Regulations, during the year under review, the Independent Directors met on 19th March, 2018, 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 Managing Director of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness 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.

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.bhartiyafashion.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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

MDA is attached separately in this Annual Report.

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
30th AGM	27th September, 2017	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	6
29th AGM	29th September, 2016	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	-
28th AGM	21st September, 2015	11.00 A.M.	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, Institutional Area, New Delhi-110003	-

All resolutions moved at the Annual General Meeting held on 21st September, 2015, 29th September, 2016 and 27th September, 2017 were passed through Poll (electronically and physical ballot).

No Extraordinary General Meetings were held during the last 3 years

POSTAL BALLOT

No resolution has been moved by the shareholders of the Company during the year under review by way of Postal Ballot.

PROCEDURE FOR POSTAL BALLOT

In compliance with Regulation 44 of the SEBI Listing Regulations and sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The company engages the services of NSDL for the purpose of providing voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/list of beneficiaries as on cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The Scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the Company's website www.bhartiyafashion.com besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agents. The last date of E-Voting is deemed to be the date of passing of the resolutions as per Secretarial Standards.

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.

DISCLOSURES

1. 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.bhartiyafashion.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.

2. 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
3. Company has laid down adequate procedure to inform the Board about the risk assessment and risk minimization procedures.

4. 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.
5. 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 (Prohibition of Insider Trading) Regulations, 2015, the company has implemented a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information.
6. A Whistle Blower Policy is in place and the employees have direct access to the Audit Committee to raise their concerns.
7. 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.
8. The Company has complied with all mandatory requirements of Corporate Governance as specified under Regulation 27 of the SEBI Listing Regulations.

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 Dinamani/Dhina Suryan in Tamil), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

The Company's financial results and officials press releases are displayed on the Bhartiya Group's website: www.bhartiyafashion.com.

- (iii) Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.
- (iv) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Ltd. and National Stock Exchange of India Ltd. are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's NEAPS portal.
- (v) 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.
- (vi) A separate dedicated section under "Investors Relation", on the Company's website gives information on, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

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.

GENERAL SHAREHOLDER INFORMATION

1.	AGM: Date, Time and Venue	Day and Date: Friday, 28th September, 2018 Time: 02:00 p.m. Venue: Auditorium, National Institute of Siddha, Trichy Chennai Highway, Tambaram Sanatorium, Chennai - 600 047, Tamil Nadu
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2.	Financial Calendar for 2018-2019	
	Financial year - April to March	
	Results for Quarter Ending 30th June, 2018	by 14th of August, 2018
	Results for Quarter Ending 30th September, 2018	by 14th of November, 2018
	Results for Quarter Ending 31st December, 2018	by 14th of February, 2019
	Year Ending 31st March, 2019	by the 30th of May, 2019
3.	Book Closure	Saturday the 22nd September 2018 to Friday the 28th September, 2018 (both days inclusive)
4.	Dividend Payment Date	On or before 27th October, 2018 if declared at Annual General Meeting on 28th September, 2018

5. Listing on Stock Exchanges & Stock Code & ISIN Details

The Company is listed at following Stock Exchanges:-

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

The Annual listing fee for the year 2018-2019 has been duly paid to both the Stock Exchanges.

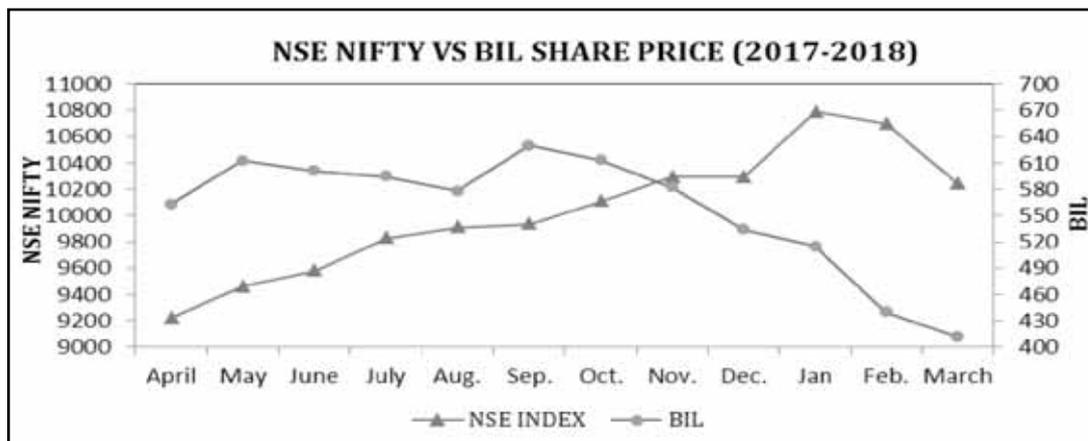
- Demat ISIN Number with NSDL & CDSL for Equity shares - INE 828A01016
- Demat ISIN Number with NSDL for Warrants - INE828A13037

Annual Custody Issuer fee for the financial year 2018-2019 has been paid by the Company to NSDL and CDSL.

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

Months	BIL			Months	NSE Nifty		
	High (Rs.)	Low (Rs.)	Average (Rs.)		High (Rs.)	Low (Rs.)	Average (Rs.)
Apr-17	602.35	523.50	562.93	Apr-17	9367.15	9075.15	9221.15
May,-17	670.00	554.80	612.40	May,-17	9649.60	9269.90	9459.75
Jun-17	625.95	576.10	601.03	Jun-17	9709.30	9448.75	9579.03
Jul-17	613.80	575.60	594.70	Jul-17	10114.85	9543.55	9829.20
Aug-17	609.90	546.30	578.10	Aug-17	10137.85	9685.55	9911.70
Sep-17	699.95	560.00	629.98	Sep-17	10178.95	9687.55	9933.25
Oct-17	644.90	581.05	612.98	Oct-17	10384.50	9831.05	10107.78
Nov-17	628.00	536.00	582.00	Nov-17	10490.45	10094.00	10292.23
Dec-17	568.70	499.00	533.85	Dec-17	10552.40	10033.35	10292.88
Jan-18	550.00	480.00	515.00	Jan-18	11171.55	10404.65	10788.10
Feb-18	487.00	393.00	440.00	Feb-18	11117.35	10276.30	10696.83
Mar-18	433.00	389.95	411.48	Mar-18	10525.50	9951.90	10238.70

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



- 7. 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

8. Share Transfer System

Share transfers are processed and share certificates duly endorsed are returned within a period of seven days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Share Transfer Committee which consists of Mr. Snehdeep Aggarwal, Mr. A. K. Gadhok and Ms. Jaspal Sethi as members as on 31st March, 2018. Share transfer/ transmissions approved by the Committee are placed at the Board Meeting from time to time. Company Secretary of the Company acts as Secretary of the Committee. A summary of transfer/transmission of securities of the Company so approved by the Share Transfer Committee is placed at every Board Meeting / Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the said certificate with Stock Exchanges. As at 31st March, 2018 there was no Equity Share pending for Transfer, also there was no Demat Request pending as on 31st March, 2018.

9. Distribution of Shareholding as on 31st March, 2018 *

No. of Shares	Shareholders		Shareholding	
	Number	% to total	Number	% to total
Upto 500	4477	89.98	395292	3.25
501-1000	225	4.52	168281	1.38
1001-2000	84	1.69	119202	0.98
2001-3000	30	0.60	75547	0.62
3001-4000	29	0.58	103789	0.85
4001-5000	23	0.46	107145	0.88
5001-10000	44	0.88	345862	2.84
10001 & above	64	1.29	10858520	89.20
Total	4976	100.00	12173638	100.00

10. Shareholding Pattern as on 31st March, 2018

Category	No. of Share held	% of Paid up Capital
Promoters Holding	1483612	12.19
Persons acting in concert	4310950	35.41
Banks/Trusts/Financial Institutions	16453	0.14
Central Government/State Government (IEPF)	39989	0.33
NRIs/OCBs/Foreign National/FII	1067335	8.77
Indian Corporate Bodies/LLPs	2966938	24.37
Indian Public	2143511	17.61
Directors	122800	1.01
Clearing Members	22050	0.18
Total	12173638	100.00

* The above distribution schedule and Shareholding pattern does not include the details of shares allotted on 31st March, 2018 as the same was not listed on the stock exchanges.

- 11. Dematerialization of shares and liquidity** : As on 31st March, 2018, 98.94% of the Paid-up capital share has been dematerialized.

12. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : As on 31.03.2018, 3,00,000 warrants were outstanding. During the year, the Company had allotted 4,00,000 Equity shares to the Warrant holders who had exercised their right for conversion of warrants into Equity shares. 3,00,000 share warrants were however forfeited due to non-exercise of the right attached to the Warrants. The Company had also allotted 3,00,000 warrants to the Non-Promoter Group on preferential basis. During the year under review, the Company had also allotted 40309 equity shares under Employee Stock Option 2013 to the employees of the Company who had exercised their right to convert stock options to Equity shares. The Company had also granted 30,000 fresh stock options during the year. This results in increase in paid up Equity Capital to Rs.121,812,540/-.

14 Plant Locations

: Bangalore, Chennai, Tada.

15 Address for Correspondence

: **Registered Office**

Bhartiya International Ltd.
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

Ms. Shilpa Budhia
Bhartiya International Ltd.
Plot No. 38, Sector-44 Gurugram, Haryana
E-mail: shares@bhartiya.com

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 Ltd. Code of Business Conduct and Ethics for the year ended 31st March, 2018.

Gurugram, 13th May, 2018

Sd/-
Snehdeep Aggarwal
Managing Director

CEO/CFO CERTIFICATION

To

The Board of Directors

Bhartiya International Ltd.

We, Snehdeep Aggarwal, Managing Director and Manoj Khattar, 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, 2018 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, 2018 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

Sd/-

Sd/-

Snehdeep Aggarwal

Managing Director

Manoj Khattar

Chief Financial Officer

Gurugram, 25th May, 2018

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members

Bhartiya International Ltd.

We have examined the compliance of Conditions of Corporate Governance by Bhartiya International Ltd. ("the Company") for the financial year ended on 31st March, 2018 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was Ltd. 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 K A S G & CO.

Chartered Accountants

Firm Registration No. 002228C

R B Sharma

Partner

Mem. No. 075701

Gurugram, 13th August, 2018

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members of
Bhartiya International Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bhartiya International Ltd. ('the Holding Company') and its subsidiaries and associate (collectively referred to as 'the Company' or 'the Group'), comprising the consolidated balance sheet as at 31st March, 2018, 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').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (Consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity 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 Companies Act, 2013. The Board of Directors of the Company is responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Company, as at 31st March, 2018, and their consolidated profit, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of five overseas subsidiaries and one local subsidiary, whose financial statements reflect total assets of Rs. 209.99 crore as at 31st March, 2018, total revenues of Rs. 304.99 crore and net cash outflows

amounting to Rs. 5.67 crore for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

We have relied on the unaudited financial statements of both the associates wherein the group's share of Loss aggregate Rs.1.18 crore. These unaudited financial statements, as approved by the respective Board of Directors of these companies, have been furnished to us by the management and our report insofar as it relates to the amounts included in respect of the associates is based solely on such approved unaudited financial statements.

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

Report on other legal and regulatory requirements

1. 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.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss, 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 Ind AS 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 31st March, 2018 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 31st March,2018 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 A'; and
 - g. 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.
 - 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.
 - iv) The disclosure requirement relating to holding as well as dealing in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statement. Hence, reporting under this clause is not applicable.

for **K A S G & CO.**

Chartered Accountants

Firm's Registration No. 002228C

R. B. Sharma

Partner

Mem. No. 075701

Gurugram, 30th May, 2018

ANNEXURE 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 31st March, 2018, we have audited the internal financial controls over financial reporting of Bhartiya International Ltd. ('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 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 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 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 and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **K A S G & CO.**

Chartered Accountants

Firm's Registration No. 002228C

R. B. Sharma

Partner

Mem. No. 075701

Gurugram, 30th May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH,2018

Particulars	Note No.	Amount in Rs.		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I Assets				
1 Non - Current Assets				
(a) Property, Plant And Equipment	5	891,708,318	792,459,264	627,001,980
(b) Capital Work-in-Progress	5.1	243,273,224	78,467,278	78,492,129
(c) Investment Property	6	56,810,885	57,901,551	58,992,217
(d) Goodwill		2,525,000	2,525,000	2,525,000
(e) Intangible Assets	7	17,603,118	18,757,064	6,601,104
(f) Intangible Assets under Development	7.1	2,335,050	-	13,180,000
(g) Investments Accounted for using Equity Method	8	1,208,823,700	378,212,841	384,116,828
(h) Financial Assets				
(i) Investments	9	1,021	21,126,319	817
(ii) Loans	10	13,457,860	17,148,418	11,406,571
(iii) Other Financial Assets	11	49,919,030	7,568,736	7,028,112
(i) Deferred Tax Assets		3,566,459	1,458,699	7,113,525
(j) Other Non-Current Assets	12	71,020,572	69,516,183	76,166,606
2 Current Assets				
(a) Inventories	13	3,432,543,267	2,803,073,117	2,531,707,819
(b) Financial Assets				
(i) Investments	14	59,888,906	35,173,570	1
(ii) Trade Receivables	15	1,908,612,763	913,116,574	899,360,568
(iii) Cash and Cash Equivalents	16	270,661,714	465,770,224	241,880,281
(iv) Bank Balances other than Cash & Cash Equivalents	17	69,323,995	77,679,419	92,350,790
(v) Loans	18	57,725,222	15,690,235	10,848,998
(vi) Others Financial Assets	19	474,134,950	214,266,158	251,881,944
(c) Current Tax Assets (net)		15,337,446	38,531,430	36,845,010
(d) Other Current Assets	20	250,133,535	184,003,551	165,253,056
TOTAL ASSETS		9,099,406,035	6,192,445,631	5,502,753,356
II Equity and Liabilities				
1 Equity				
(a) Equity Share Capital	21	121,812,540	117,409,450	117,138,480
(b) Other Equity	22	3,627,200,310	2,557,931,138	2,207,929,616
2 Liabilities				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	472,839,603	305,402,877	341,730,935
(ii) Other Financial Liabilities	24	13,568,710	12,515,794	11,352,606
(b) Provisions	25	12,897,701	8,717,877	7,971,159
(c) Other Non-Current Liabilities	26	4,271,820	2,559,890	3,677,766
(d) Deferred Tax Liabilities	27	69,997,220	65,419,427	75,282,042
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	28	2,922,427,702	2,296,566,214	1,834,281,566
(ii) Trade Payables	29	1,498,643,150	574,930,999	560,182,240
(iii) Other Financial Liabilities	30	232,708,709	184,100,117	264,212,990
(b) Provisions	31	18,609,953	10,335,511	8,886,030
(c) Other Current Liabilities	32	79,713,679	22,643,057	15,678,209
(d) Current Tax Liabilities (Net)		24,714,938	33,913,280	54,429,717
TOTAL OF EQUITY AND LIABILITIES		9,099,406,035	6,192,445,631	5,502,753,356
Significant Accounting Policies	4			
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, 30th May,2018

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

**CONSOLIDATED STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Note No.	Amount in Rs.	
		Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME			
Revenue from Operations	33	7,105,165,561	6,419,424,431
Other Income	34	72,554,106	61,855,661
Total Income		<u>7,177,719,667</u>	<u>6,481,280,092</u>
Expenses			
Cost of Material Consumed	35	2,458,216,889	2,018,457,693
Purchases of Stock-in-Trade		2,231,693,666	2,186,995,443
Change In Inventories of Finished Goods	36	(207,879,401)	(86,803,780)
Employee Benefits Expense	37	479,594,423	453,267,316
Finance Costs	38	195,606,318	139,044,949
Depreciation and Amortization Expense	39	74,827,459	60,153,220
Other Expenses	40	1,675,270,012	1,443,439,994
Total Expenses		<u>6,907,329,366</u>	<u>6,214,554,835</u>
Profit Before Share of Net Profit/ (Loss) of Associate		270,390,301	266,725,257
Share of Net Profit/(Loss) of Associates		(11,806,649)	(5,853,988)
Profit / (Loss) Before Tax		<u>258,583,651</u>	260,871,269
Tax Expenses	41		
i Current Tax		81,790,559	84,548,080
ii Deferred Tax		2,470,033	(3,653,091)
Profit / (Loss) for the Year		<u>174,323,060</u>	<u>179,976,280</u>
Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
Remeasurements of the Defined Benefit Plans		598,094	(934,773)
Income Tax Relating to Above Items		(259,170)	323,506
Total Comprehensive Income for the Year		<u>174,661,984</u>	<u>179,365,014</u>
Profit Attributable To :			
Owners		174,666,868	180,544,270
Non-Controlling Interests		(343,808)	(567,990)
Other Comprehensive Income Attributable to :			
Owners		338,241	(611,267)
Non-Controlling Interests		683	-
Total Comprehensive Income Attributable to :			
Owners		175,005,109	179,933,004
Non-Controlling Interests		(343,125)	(567,990)
Earnings Per Equity Share of Face Value			
Basic (in Rs.)		14.42	15.33
Diluted (in Rs.)		14.28	14.98
Significant Accounting Policies	4		
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, 30th May,2018

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2018**

A Equity Share Capital

	Notes	AMOUNT IN RS.
Balance as at 1st April, 2016		117,138,480
Change in Equity Share Capital during the year 2016-17	20	270,970
Balance as at 31st March, 2017		117,409,450
Change in Equity Share Capital during the year 2017-18	20	4,403,090
Balance as at 31st March, 2018		121,812,540

B Other Equity (Refer note no. 21)

Particulars	Share application money pending for allotment	Money Received Against Share Warrant	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earning	Employee Stock Options outstanding	Other Comprehensive Income(defined benefit plan)	Preferential share Warrant Forfeited Reserve (FCTR)	Foreign Currency Translation Reserve (FCTR)	Non-controlling Interest	Total
Balance as at 1st April, 2016		105,000,000	506,165,000	270,129,410	4,621,283	1,264,644,716	22,775,346	(842,376)	8,500,000	11,044,250	15,891,987	2,207,929,616
Profit for the year	-	-	-	-	-	180,544,270	-	-	-	-	(567,990)	179,976,280
Other comprehensive income for the year	-	-	-	-	-	-	-	(611,267)	-	-	-	(611,267)
Securities premium on issue of share	-	-	12,657,280	-	-	-	-	-	-	-	-	12,657,280
Transfer from Retained Earning	-	-	-	20,000,000	-	-	-	-	-	-	-	20,000,000
Transfer to General reserve	-	-	-	-	-	(20,000,000)	-	-	-	-	-	(20,000,000)
Employee Stock Option Reserve for the year	-	-	-	-	-	-	23,289,192	-	-	-	-	23,289,192
Share Application Money Received during the year	180,000,000	-	-	-	-	-	-	-	-	-	-	180,000,000
Dividend & Dividends distribution tax	-	-	-	-	-	(16,918,214)	-	-	-	-	-	(16,918,214)
Currency Fluctuation Reserve during the year	-	-	-	-	-	-	-	-	-	(16,818,349)	-	(16,818,349)
Transfer to Security premium on issue of share	-	-	-	-	-	-	(11,573,400)	-	-	-	-	(11,573,400)
Balance as at 31st March, 2017	180,000,000	105,000,000	518,822,280	290,129,410	4,621,283	1,408,270,772	34,491,138	(1,453,643)	8,500,000	(5,774,099)	15,323,997	2,557,931,138
Profit for the year	-	-	-	-	-	174,666,868	-	-	-	-	(343,125)	174,323,743
Other comprehensive income for the year	-	-	-	-	-	-	-	338,241	-	-	-	338,241

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

Particulars	Share application money pending for allotment	Money Received Against Share Warrant	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earning	Employee Stock Options outstanding	Other Comprehensive Income(defined benefit plan)	Preferential share Warrant Forfeited Reserve (FCTR)	Foreign Currency Translation Reserve (FCTR)	Non-controlling Interest	Total
Securities premium on issue of share	-	-	254,915,285	-	-	-	-	-	-	-	-	254,915,285
Transfer from Retained Earning	-	-	-	2,00,00,000	-	(20,523,336)	-	-	-	-	-	(523,336)
Transfer to General reserve	-	-	-	523,336	-	-	-	-	-	-	-	523,336
Employee Stock Option Reserve for the year	-	-	-	-	-	-	7,492,595	-	-	-	-	7,492,595
Transfer to Security premium on issue of share	-	-	-	-	-	-	(17,302,925)	-	-	-	-	(17,302,925)
Equity Shares issued during the year	(180,000,000)	(60,000,000)	-	-	-	-	-	-	-	-	-	(240,000,000)
Dividend & Dividends distribution tax	-	-	-	-	-	(17,370,857)	-	-	-	-	-	(17,370,857)
Preferential Shares warrant forfeited	-	(45,000,000)	-	-	-	-	-	-	45,000,000	-	-	-
Preferential Shares warrant issued during the year	-	39,075,000	-	-	-	-	-	-	-	-	-	39,075,000
Currency Fluctuation Reserve	-	-	-	-	-	-	-	-	-	25,380,582	-	25,380,582
Share of Associate Pr-Acquisition Profit	-	-	-	-	842,417,508	-	-	-	-	-	-	842,417,508
Capital Reserve created during the year	-	-	-	-	38,124	(38,124)	-	-	-	-	-	-
Balance as at 31st March, 2018	-	39,075,000	773,737,565	310,652,746	847,076,915	1,545,005,324	24,680,808	(1,115,402)	53,500,000	19,606,483	14,980,872	3,627,200,310

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, 30th May,2018

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Sandeep Seth

Director

DIN: 01408624

Ramesh Bhatia

Director

DIN: 0052320

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per Statement of Profit and Loss	258,583,651	260,871,270
<i>Adjustment for :</i>		
Share of (Profit)/Loss of Associates	11,806,649	5,853,988
Finance Cost	195,606,318	139,044,949
Depreciation and Amortisation Expenses	74,827,459	56,243,977
Provision for Employee Stock Option Benefits	7,492,596	23,289,192
Loss/(Profit) on Sale of Fixed Assets (Net)	-	(7,648,679)
Loss/(Profit) on Sale of Investments (Net)	(12,106,494)	(65,199)
Rental Income	(26,885,759)	(26,663,068)
Dividend Income	(697,834)	(101,073)
Interest Income	(7,936,146)	(16,105,943)
Government Grant Income	(132,967)	-
Net Loss/(Gain) on Investment Fair Value through Profit and Loss	(4,921,813)	(7,097,885)
Operating profit/(loss) before working capital changes	<u>495,635,660</u>	<u>427,621,529</u>
<i>Movements in working capital:</i>		
Increase/ (decrease) in Trade Payables	923,712,151	14,748,759
Increase/ (decrease) in other Financial Liabilities	21,734,389	(69,787,121)
Increase/ (decrease) in Other Liabilities	55,804,440	5,846,972
Increase/ (decrease) in Provisions	13,052,360	1,261,426
Decrease/ (increase) in Inventories	(629,470,150)	(271,365,298)
Decrease/ (increase) Trade Receivables	(995,496,189)	(13,756,006)
Decrease/ (increase) in Loan	(38,344,429)	(10,583,084)
Decrease/ (increase) in Other Current Financial Assets	(259,868,791)	37,615,786
Decrease/ (increase) in Other Current Assets	(66,129,984)	(18,750,495)
Decrease/ (increase) in other Non-Current Assets	1,223,787	398,441
Decrease/ (increase) in other Non-Current Financial Assets	(42,350,294)	(540,624)
Cash (used in) / Generated from Operations	<u>(520,497,050)</u>	<u>102,710,285</u>
Income tax paid (Net)	(67,794,917)	(106,982,130)
Currency Fluctuation Reserve Consolidation	25,380,581	(16,818,349)
Net Cash (used in)/ Generated from Operating Activities - (A)	<u>(562,911,386)</u>	<u>(21,090,194)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(337,736,379)	(225,064,406)
Capital Advance/Capital Creditors (Net)	(5,691,633)	(3,104,654)
Proceeds from Sale of Fixed Assets	1,874,563	13,151,381
Proceeds from Sale of Current Investments(Net)	13,438,269	(49,085,987)
Dividend Income on Current Investments	697,834	101,073
Security Deposit	1,052,916	1,163,188
Rental Income	26,885,759	26,663,068
Interest Income	7,936,146	16,105,943
Fixed Deposit with Bank	8,355,424	14,671,371
Net Cash from/ (used in) Investing Activities - (B)	<u>(283,187,101)</u>	<u>(205,399,023)</u>

CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings (Net)	197,015,214	(37,297,176)
Proceeds from Short-Term Borrowings (Net)	625,861,488	462,284,648
Money Received against Share Warrant / Share Application	39,075,000	180,000,000
Share Capital including Securities Premium	2,015,450	1,354,850
Interest and Processing Fees Paid (net)	(195,606,318)	(139,044,949)
Dividend Paid (including Dividend tax)	(17,370,857)	(16,918,214)
Net Cash from/ (used in) Financing Activities - (C)	650,989,977	450,379,159
Net increase / (decrease) in cash and Cash Equivalents - (A+B+C)	(195,108,510)	223,889,942
Cash and Cash Equivalents as at beginning of the year	465,770,224	241,880,281
Cash and Cash Equivalents as at the end of the Year	270,661,714	465,770,224
Components of cash and cash equivalents:		
Cash on Hand	2,842,463	2,799,099
Balances with scheduled banks:		
In Current Accounts	267,819,251	462,971,125
Cash and cash equivalents in cash flow statement	270,661,714	465,770,224

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, 30th May,2018

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Bhartiya International Ltd. ('the Holding Company') is a public Ltd. 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 Delhi.

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.

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

The 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and Equipment

The Group has applied for the one time transition exemption of considering the carrying cost of the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS, hence regarded thereafter as historical cost.

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.

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

Computer Software

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

Amortisation Method and Useful Life

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

4.4 Lease

Operating Lease

As a Lessee

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

As a Lessor

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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.

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 CONSOLIDATED 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 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.

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.

NOTES TO THE CONSOLIDATED 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 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 sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

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.

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.

NOTES TO THE CONSOLIDATED 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 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.

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

Amount in Rs.

Particulars	Land		Other than Land						Total
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment		
Gross Carrying Amount									
Cost as at 1st April, 2016	25,570,461	355,415,574	186,970,227	17,741,231	14,848,896	19,691,010	6,764,581	627,001,980	
Addition	-	27,486,364	172,973,521	5,994,888	1,693,568	7,908,926	7,346,708	223,403,975	
Disposal	-	3,845,001	4,429,075	-	584,637	132,995	1,615,117	10,606,825	
Balance as at 31st March, 2017	25,570,461	379,056,937	355,514,673	23,736,119	15,957,827	27,466,941	12,496,172	839,799,130	
Addition	12,237,983	-	110,000,353	26,928,084	9,553,065	4,378,337	4,345,371	167,443,193	
Disposal	-	-	186,636	716,136	3,441,397	-	9,920	4,354,089	
Balance as at 31st March, 2018	37,808,444	379,056,937	465,328,390	49,948,067	22,069,495	31,845,278	16,831,623	1,002,888,234	
Accumulated Depreciation									
Balance as at 1st April, 2016	-	-	-	-	-	-	-	-	
Addition	-	16,847,430	19,642,934	3,511,426	4,205,960	4,349,908	3,886,331	52,443,989	
Disposal	-	1,472,641	1,801,144	-	332,276	49,448	1,448,614	5,104,123	
Balance as at 31st March, 2017	-	15,374,789	17,841,790	3,511,426	3,873,684	4,300,460	2,437,717	47,339,866	
Addition	-	15,376,146	30,791,872	7,049,776	3,221,582	4,697,784	5,182,416	66,319,576	
Disposal	-	-	25,405	-	2,454,121	-	-	2,479,526	
Balance as at 31st March, 2018	-	30,750,935	48,608,257	10,561,202	4,641,145	8,998,244	7,620,133	111,179,916	
Net Carrying Amount									
Balance as at 1st April, 2016	25,570,461	355,415,574	186,970,227	17,741,231	14,848,896	19,691,010	6,764,581	627,001,980	
Balance as at 31st March, 2017	25,570,461	363,682,148	337,672,883	20,224,693	12,084,143	23,166,481	10,058,455	792,459,264	
Balance as at 31st March, 2018	37,808,444	348,306,002	416,720,133	39,386,865	17,428,350	22,847,034	9,211,490	891,708,318	

5.1 Capital Work in Progress

1st April, 2016	78,492,129
31st March, 2017	78,467,278
31st March, 2018	243,273,224

5.2 Building includes Rs. 18,50,000/- (Previous year Rs. 18,50,000/-) acquired in an earlier year, are pending registration in the name of company.

5.3 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of property, plant and equipment as per IGAAP is mentioned below :-

Particulars	Land		Other than Land					Total
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	
Gross Carrying Amount								
Cost as at 1st April, 2016	25,570,461	457,217,718	316,037,197	60,624,198	43,549,475	33,367,096	18,045,426	954,411,571
Addition	-	27,486,364	172,973,521	5,994,888	1,693,568	7,908,926	7,346,708	223,403,975
Disposal	-	3,845,001	4,429,075	-	584,637	132,995	1,615,117	10,606,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Amount in Rs.

Particulars	Land		Other than Land					Total
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	
Balance as at 31st March, 2017	25,570,461	480,859,081	484,581,643	66,619,086	44,658,406	41,143,027	23,777,017	1,167,208,721
Addition	12,237,983	-	110,000,353	26,928,084	9,553,065	4,378,337	4,345,371	167,443,193
Disposal	-	-	186,636	716,136	3,441,397	-	9,920	4,354,089
Balance as at 31st March, 2018	37,808,444	480,859,081	594,395,360	92,831,034	50,770,074	45,521,364	28,112,468	1,330,297,825
Accumulated Depreciation								
Balance as at 1st April, 2016	-	101,802,144	129,066,970	42,882,967	28,700,579	13,676,086	11,280,845	327,409,591
Addition	-	16,847,430	19,642,934	3,511,426	4,205,960	4,349,908	3,886,331	52,443,989
Disposal	-	1,472,641	1,801,144	-	332,276	49,448	1,448,614	5,104,123
Balance as at 31st March, 2017	-	117,176,933	146,908,760	46,394,393	32,574,263	17,976,546	13,718,562	374,749,457
Addition	-	15,376,146	30,791,872	7,049,776	3,221,582	469,778	518,246	66,319,576
Disposal	-	-	25,405	-	2,454,121	-	-	2,479,526
Balance as at 31st March, 2018	-	132,553,079	177,675,227	53,444,169	33,341,724	22,674,330	18,900,978	438,589,507
Net Carrying Amount								
Balance as at 1st April, 2016	25,570,461	355,415,574	186,970,227	17,741,231	14,848,896	19,691,010	6,764,581	627,001,980
Balance as at 31st March, 2017	25,570,461	363,682,148	337,672,883	20,224,693	12,084,143	23,166,481	10,058,455	792,459,264
Balance as at 31st March, 2018	37,808,444	348,306,002	416,720,133	39,386,865	17,428,350	22,847,034	9,211,490	891,708,318

6. INVESTMENT PROPERTIES

Amount in Rs.

Particulars	Land
Gross Carrying Amount	
Cost as at 1st April, 2016	58,992,217
Addition	-
Disposal	-
Balance as at 31st March, 2017	58,992,217
Addition	-
Disposal	-
Balance as at 31st March, 2018	58,992,217
Accumulated Depreciation	
Balance as at 1st April, 2016	
Addition	1,090,666
Disposal	-
Balance as at 31st March, 2017	1,090,666
Addition	1,090,666
Disposal	-
Balance as at 31st March, 2018	2,181,332
Net Carrying Amount	
Balance as at 1st April, 2016	58,992,217
Balance as at 31st March, 2017	57,901,551
Balance as at 31st March, 2018	56,810,885
Fair Value	
As at 1st April, 2016	320,787,000
As at 31st March, 2017	314,787,000
As at 31st March, 2018	320,787,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

6.1 Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Rental income derived from investment properties	23,104,800	23,104,800
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Income arising from investment properties before depreciation	23,104,800	23,104,800
Depreciation	1,090,666	1,090,666
Income from investment properties (Net)	22,014,134	22,014,134

6.2 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, 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	Goodwill	Computer Software	Total
Gross Carrying Amount			
Cost as at 1st April, 2016	799,508	5,801,596	6,601,104
Addition	-	14,865,282	14,865,282
Disposal	-	-	-
Balance as at 31st March,2017	799,508	20,666,878	21,466,386
Addition	-	6,263,270	6,263,270
Disposal	-	-	-
Balance as at 31st March,2018	799,508	26,930,148	27,729,656
Accumulated Depreciation			
Balance as at 1 st April,2016		-	-
Addition	11,956	2,697,366	2,709,322
Disposal	-	-	-
Balance as at 31st March,2017	11,956	2,697,366	2,709,322
Addition	11,120	7,406,097	7,417,217
Disposal	-	-	-
Balance as at 31st March,2018	23,076	10,103,463	10,126,539
Net Carrying Amount			
Balance as at 1 st April,2016	799,508	5,801,596	6,601,104
Balance as at 31st March,2017	787,552	17,969,512	18,757,064
Balance as at 31st March,2018	776,432	16,826,685	17,603,117

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

7.1 Intangible Assets under Development

	Amount in Rs.
1st April, 2016	13,180,000
31st March, 2017	-
31st March, 2018	2,335,050

7.2 The Company has elected to measure all its intangibles at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of intangible asset as per IGAAP is mentioned below:

Particulars	Goodwill	Computer Software	Total
Gross Carrying Amount			
Cost as at 1st April, 2016	25,640,943	13,087,429	38,728,372
Addition		14,865,282	14,865,282
Disposal		-	-
Balance as at 31st March, 2017	25,640,943	27,952,711	53,593,654
Addition		6,263,270	6,263,270
Disposal		-	-
Balance as at 31st March, 2018	25,640,943	34,215,981	59,856,924
Accumulated Depreciation			
Balance as at 1st April, 2016	24,841,435	7,285,833	32,127,268
Addition	11,956	2,697,366	2,709,322
Disposal		-	-
Balance as at 31st March, 2017	24,853,391	9,983,199	34,836,590
Addition	11,120	7,406,097	7,417,217
Disposal		-	-
Balance as at 31st March, 2018	24,864,511	17,389,296	42,253,807
Net Carrying Amount			
Balance as at 1st April, 2016	799,508	5,801,596	6,601,104
Balance as at 31st March, 2017	787,552	17,969,512	18,757,064
Balance as at 31st March, 2018	776,432	16,826,685	17,603,117

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Particulars	No. of Shares/Units	As At 31st March, 2018	No. of Shares/Units	As At 31st March, 2017	No. of Shares/Units	As At 1st April, 2016
Investments in Associates (Unquoted at Cost)						
(a) Capital in Firm "Bhartiya Prakash Leather"	-	-	-	-	-	50,000
(b) Investment in Associate Company#	-	-	-	-	-	-
Equity Shares	34,393,260	1,208,823,700	16,001,865	378,212,841	11,205,000	264,106,828
Preference Shares	-	-	-	-	4,796,865	119,960,000
		1,208,823,700		378,212,841		384,116,828
#Particulars of Investment in Associate Company						
A) Bhartiya Urban Infrastructure & Land Development Co Pvt Ltd						
% of Ownership Interest		-		27.83%		29.60%
Cost of Acquisition		-		399,960,000		280,000,000
Share of Post Acquisition Reserves & Surplus		-		(21,704,350)		(15,872,829)
Carrying Value		-		378,255,650		264,127,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	No. of		As At		No. of		As At		Amount in Rs.	
	Shares/Units	31st March, 2018	Shares/Units	31st March, 2017	Shares/Units	1st April, 2016	Shares/Units	1st April, 2016	Shares/Units	1st April, 2016
B) Bhartiya City Developers Pvt. Ltd.										
% of ownership interest		36.77%								
Cost of Acquisition		378,255,650				-		-		-
Share of Pre-Acquisition Reserves & Surplus		842,417,508				-		-		-
Share of Post Acquisition Reserves & Surplus		(11,791,415)				-		-		-
Carrying Value		<u>1,208,881,743</u>				<u>-</u>		<u>-</u>		<u>-</u>
C) TADA Mega Leather Cluster Pvt. Ltd.										
% of Ownership Interest		50.00%				50.00%				50.00%
Cost of Acquisition		50,000				50,000				50,000
Share of Post Acquisition Reserves & Surplus		(108,044)				(92,810)				(70,343)
Carrying Value		(58,044)				(42,810)				(20,342)
Total (A+B+C)		<u>1,208,823,700</u>				<u>378,212,841</u>				<u>264,106,829</u>

8.1 The Company had invested in the Equity Shares of Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd. (Face value of Rs10/- each). During the year Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. merged with Bhartiya City Developers Pvt. Ltd. and in lieu of this, the Company received 2.15 Equity Shares (face value of Rs 10 each) of Bhartiya City Developers Pvt. Ltd. for every one Equity Share held in Bhartiya Urban infrastructure & Land Development Co. Pvt. Ltd. Consequently share of pre-acquisition reserve increased by Rs. 842,417,508/-.

9. NON-CURRENT INVESTMENTS

Particulars	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Units (No.)	Amount (Rs.)	Units (No.)	Amount (Rs.)	Units (No.)	Amount (Rs.)
A Investments in Mutual Funds (Unquoted)						
At Fair value through Profit & Loss						
i) Reliance ETF Liquid BeES	1.021	1,021	0.982	982	0.817	817
ii) Birla Sun Life Equity Fund -Growth	-	-	16,698	10,836,770	-	-
iii) SBI Blue Chip Fund - Direct Plan - Growth	-	-	295,753	10,288,567	-	-
		<u>1,021</u>		<u>21,126,319</u>		<u>817</u>
Aggregate amount of Unquoted Investments	-	1,021	-	21,126,319	-	817
Aggregate amount of Impairment in value of unquoted Investments	-	-	-	-	-	-

10 NON-CURRENT LOAN

Particulars	As at		As at		As at	
	31st March, 2018	31st March, 2017	31st March, 2017	1st April, 2016	31st March, 2017	1st April, 2016
(Unsecured & Considered Good)						
(a) Security and Other Deposits	9,854,916		10,144,404		7,716,104	
(b) Loans / Advances to Related Parties (refer note no.56)	-		2,823,575		3,562,772	
(c) Loan to Employee	3,602,944		4,180,439		127,695	
TOTAL	<u>13,457,860</u>		<u>17,148,418</u>		<u>11,406,571</u>	

11 OTHER NON-CURRENT FINANCIAL ASSETS

(a) Other Advances	49,919,030	7,568,736	7,028,112
TOTAL	<u>49,919,030</u>	<u>7,568,736</u>	<u>7,028,112</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

12. OTHER NON-CURRENT ASSETS

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Capital Advances	7,647,233	4,919,058	11,171,039
(b) Security Deposits with Govt. Authority	9,618,463	9,618,463	8,755,500
(c) Prepayment Lease Rent	53,754,876	54,978,662	56,240,067
TOTAL	71,020,572	69,516,183	76,166,606

13. INVENTORIES

(a) Raw Materials	2,630,372,543	2,124,110,684	1,919,436,308
(b) Raw Materials -in Transit	11,462,591	10,014,822	14,644,628
(c) Stock-in-Progress	127,843,984	213,962,862	229,203,403
(d) Finished Goods	629,331,101	425,176,659	327,499,179
(e) Stock in Trade	33,533,048	29,808,090	40,924,301
TOTAL	3,432,543,267	2,803,073,117	2,531,707,819

14. CURRENT INVESTMENTS

Particulars	As on		As on		As on	
	31st March, 2018		31st March, 2017		1st April, 2016	
	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)
a) Investment In Equity Instrument (Quoted)						
At Fair value through Profit and Loss						
Alkyl Amines Chemicals Ltd.	4,579	2,720,155	4,579	2,071,540	-	-
Astra Microwave Products Ltd.	46,443	3,562,178	-	-	-	-
Chambal Fertilisers and Chemicals Ltd.	-	-	43,205	3,748,034	-	-
DCB Bank Ltd.	31,695	5,120,327	31,695	5,396,074	-	-
Firstsource Solutions Ltd.	-	-	69,753	2,908,700	-	-
Intellect Design Arena Ltd.	37,198	6,148,829	13,920	1,600,800	-	-
Karur Vysya Bank	6,387	641,574	-	-	-	-
Kirlskar Brothers Ltd.	7,496	2,329,007	-	-	-	-
Majesco Ltd.	5,627	2,763,701	-	-	-	-
Monte Carlo Fashions Ltd.	2,130	998,970	-	-	-	-
Navneet Education Ltd.	16,540	2,361,912	16,540	2,686,923	-	-
Persistent Systems Ltd.	3,400	2,359,770	-	-	-	-
Premier Explosives Ltd.	10,534	3,524,676	-	-	-	-
Power Mech Projects Ltd.	5,130	4,343,315	5,130	2,740,703	-	-
Praj Industries Ltd.	58,449	4,693,455	33,655	2,694,083	-	-
Pricol Ltd.	30,389	2,633,207	30,389	2,402,250	-	-
RPG Life Sciences Ltd.	8,729	3,332,732	3,346	1,500,514	-	-
Visaka Industries Ltd.	12,961	8,383,823	12,961	3,509,839	-	-
Voltamp Transformers Ltd.	3,724	3,971,274	3,724	3,914,110	-	-
		<u>59,888,905</u>		<u>35,173,570</u>	<u>-</u>	<u>-</u>
b) Investment In Equity Instrument (Unquoted)						
At Fair Value through Profit and Loss						
i) Sai Royalaseema Paper Mills Ltd.	31,792	1	31,792	1	31,792	1
		<u>1</u>		<u>1</u>	<u>1</u>	<u>1</u>
Total (A+B)		<u>59,888,906</u>		<u>35,173,570</u>	<u>-</u>	<u>1</u>
Aggregate amount of Quoted Investments		59,888,905		35,173,569	-	-
Market Value of quoted Investments		59,888,905		35,173,569	-	-
Aggregate amount of unquoted Investments		1		1	-	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**15. TRADE RECEIVABLES**

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, considered good)			
(a) Trade Receivable	<u>1,908,612,763</u>	<u>913,116,574</u>	<u>899,360,568</u>
TOTAL	<u>1,908,612,763</u>	<u>913,116,574</u>	<u>899,360,568</u>

15.1 The Company has filed legal Suit for recovery of Rs. 61,62,337/- against one of its overseas customer. Management is confident of recovery of the same and hence has not made any provision for bad & doubtful debts against this.

16. CASH AND CASH EQUIVALENT

a) Balances with Banks- in current A/c			
In current accounts	<u>267,819,251</u>	<u>458,731,854</u>	<u>237,791,254</u>
In deposit accounts	-	<u>4,239,271</u>	-
b) Cash on Hand	<u>2,842,463</u>	<u>2,799,099</u>	<u>4,089,027</u>
TOTAL	<u>270,661,714</u>	<u>465,770,224</u>	<u>241,880,281</u>

17. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

a) Fixed Deposit with the bank	<u>68,419,473</u>	<u>76,827,472</u>	<u>91,533,681</u>
b) Unclaimed dividend accounts	<u>904,522</u>	<u>851,947</u>	<u>817,109</u>
TOTAL	<u>69,323,995</u>	<u>77,679,419</u>	<u>92,350,790</u>

17.1 Fixed deposits of Rs. 63,877,055/- (previous year Rs 76,827,473/-) are pledged with the banks for various limits and facilities granted.

18. CURRENT LOAN

(Unsecured & Considered Good)			
(a) Security and Other Deposits	<u>6,313,297</u>	<u>4,479,640</u>	<u>7,211,224</u>
(b) Other Advances	<u>95,431</u>	-	<u>33,903</u>
(c) Loan to employee	<u>51,316,494</u>	<u>11,210,595</u>	<u>3,603,871</u>
TOTAL	<u>57,725,222</u>	<u>15,690,235</u>	<u>10,848,998</u>

19. OTHER CURRENT FINANCIAL ASSETS

a) Export incentive receivable	<u>93,101,621</u>	<u>87,256,848</u>	<u>127,368,656</u>
b) Insurance claim receivable	<u>19,561,305</u>	<u>22,461,696</u>	<u>36,832</u>
c) Vat/GST Receivable	<u>360,522,879</u>	<u>97,711,497</u>	<u>99,433,310</u>
d) Other Advance	<u>949,145</u>	<u>6,428,492</u>	<u>4,655,723</u>
e) Derivatives-foreign exchange forward contract	-	<u>407,625</u>	<u>20,387,423</u>
TOTAL	<u>474,134,950</u>	<u>214,266,158</u>	<u>251,881,944</u>

19.1 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.

20. Other Current Assets

a) Advances with suppliers	<u>226,012,362</u>	<u>153,411,890</u>	<u>143,826,403</u>
b) Prepaid Expenses	<u>17,801,422</u>	<u>26,615,483</u>	<u>17,577,245</u>
c) Security Deposit with Govt. Authority	-	<u>290,630</u>	<u>862,963</u>
d) Mat credit Entitlement	<u>1,578,329</u>	<u>1,434,524</u>	<u>1,434,524</u>
e) Other Advances	<u>2,990,622</u>	<u>989,620</u>	<u>290,625</u>
f) Prepayment lease rent	<u>1,750,800</u>	<u>1,261,404</u>	<u>1,261,296</u>
TOTAL	<u>250,133,535</u>	<u>184,003,551</u>	<u>165,253,056</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

21. SHARE CAPITAL

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Authorised Share Capital			
a) 20,000,000 (31st March,2017: 20,000,000 1st April,2016: 20,000,000) Equity Shares of Rs.10/- each	200,000,000	200,000,000	200,000,000
b) 500,000 (31st March, 2017: 500,000 1st April, 2016: 5,00,000) Preference Shares of Rs.100/- each	50,000,000	50,000,000	50,000,000
	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid up :			
a) 12,181,254 (31st March,2017: 11,740,945 1st April,2016: 11,713,848) Equity Shares of Rs.10/- each fully paid Up.	121,812,540	117,409,450	117,138,480
	<u>121,812,540</u>	<u>117,409,450</u>	<u>117,138,480</u>

21.1 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, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2017
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares outstanding at the beginning of the year	11,740,945	117,409,450	11,713,848	117,138,480
Shares Issued during the year	440,309	4,403,090	27,097	270,970
Shares outstanding at the end of the year	12,181,254	121,812,540	11,740,945	117,409,450

21.2 The details of Shareholders holding more than 5% shares

Name of the share holders	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016	As at 1st April, 2016
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehdeep Aggarwal	1,143,362	9.39	1,143,362	9.74	1,143,362	9.76
(b) Bhartiya Infotech Pvt. Ltd.	1,000,000	8.21	1,000,000	8.52	1,000,000	8.54
(c) Bhartiya Global Ventures Ltd.	1,850,000	15.19	1,850,000	15.76	1,850,000	15.79
(d) Spirit Impex Pvt Ltd.	-	-	685,000	5.83	1,200,000	10.24
(e) Bhartiya Advisory Services Pvt. Ltd.	681,926	5.60	681,926	5.81	681,926	5.82
(f) Timf Holdings	706,474	5.80	-	-	-	-
(g) Morgan Stanley Asia (Singapore) PTE	-	-	278,315	2.37	745,315	6.36
(h) Superfine Carpets Pvt.Ltd.	1,236,684	10.15	613,533	5.23	-	-

21.3 Shares Reserved for issue under options

Particulars	As at 31st Mar, 2018	As at 31st Mar, 2017	As at 1st April, 2016
	No. of Shares	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	93,004	115,329	164,650
b) Preferential Share Warrant issued on 2nd January, 2016 convertible into equity at a price of Rs.600/-	-	700,000	700,000
c) Preferential Share warrant issued on 14th April, 2017 convertible into equity at a price of Rs.521/	300,000	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

21.4 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	Amount in Rs.			
	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2014
Shares issued during the period of five Years immediately preceding the reporting date on exercise of option granted under the employee stock option Plan (ESOP) wherein part consideration was received in form of employee services.	40,309	27,097	-	-

21.5 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. 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.

21.6 4,00,000 Equity Shares of Rs. 10/- each at a premium of Rs 590/- each issued to non-promoters on conversion of preferential Share Warrants.

21.7 During the Year, the company has allotted 40,309 Equity share of Rs.10/- each fully paid to its employees under Employee stock option plan (ESOP 2013).

22 Other Equity

Particulars	Share application money pending for allotment	Money Received Against Share Warrant	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earning	Employee Stock Options outstanding	Other Comprehensive Income(defined benefit plan)	Preferential share Warrant Forfeited	Foreign Currency Translation Reserve (FCTR)	Non-controlling Interest	Total
Balance as at 1st April, 2016	105,000,000	506,165,000	270,129,410	4,621,283	1,264,644,716	22,775,346	(842,376)	8,500,000	11,044,250	15,891,987	2,207,929,616	
Profit for the year	-	-	-	-	180,544,270	-	-	(611,267)	-	-	(567,990)	179,976,280
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	(611,267)
Securities premium on issue of share	-	12,657,280	-	-	-	-	-	-	-	-	-	12,657,280
Transfer from Retained Earning	-	-	20,000,000	-	-	-	-	-	-	-	-	20,000,000
Transfer to General reserve	-	-	-	(20,000,000)	-	-	-	-	-	-	-	(20,000,000)
Employee Stock Option Reserve for the year	-	-	-	-	-	23,289,192	-	-	-	-	-	23,289,192
Share Application Money Received during the year	180,000,000	-	-	-	-	-	-	-	-	-	-	180,000,000
Dividend & Dividends distribution tax	-	-	-	(16,918,214)	-	-	-	-	-	-	-	(16,918,214)
Currency Fluctuation Reserve during the year	-	-	-	-	-	-	-	-	(16,818,349)	-	-	(16,818,349)
Transfer to Security premium on issue of share	-	-	-	-	-	(11,573,400)	-	-	-	-	-	(11,573,400)
Balance as at 31st March, 2017	180,000,000	105,000,000	518,822,280	290,129,410	4,621,283	1,408,270,772	34,491,138	(1,453,643)	8,500,000	(5,774,099)	15,323,997	2,557,931,138
Profit for the year	-	-	-	-	174,666,868	-	-	338,241	-	-	(343,125)	174,323,743
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	338,241
Securities premium on issue of share	-	-	254,915,285	-	-	-	-	-	-	-	-	254,915,285
Transfer from Retained Earning	-	-	-	-	(523,336)	-	-	-	-	-	-	(523,336)
Transfer to General reserve	-	-	-	523,336	-	-	-	-	-	-	-	523,336

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Share application money pending for allotment	Money Received Against Share Warrant	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earning	Employee Stock Options outstanding	Other Comprehensive Income(defined benefit plan)	Preferential share Warrant Forfeited	Foreign Currency Translation Reserve (FCTR)	Non-controlling Interest	Total
Employee Stock Option Reserve for the year	-	-	-	-	-	-	7,492,595	-	-	-	-	7,492,595
Transfer to Security premium on issue of share	-	-	-	-	-	-	(17,302,925)	-	-	-	-	(17,302,925)
Equity Shares issued during the year	(180,000,000)	(60,000,000)	-	-	-	-	-	-	-	-	-	(240,000,000)
Dividend & Dividends distribution tax	-	-	-	-	-	(17,370,857)	-	-	-	-	-	(17,370,857)
Preferential Shares warrant forfeited	-	(45,000,000)	-	-	-	-	-	-	45,000,000	-	-	-
Preferential Shares warrant issued during the year	-	39,075,000	-	-	-	-	-	-	-	-	-	39,075,000
Currency Fluctuation Reserve	-	-	-	-	-	-	-	-	-	25,380,582	-	25,380,582
Share of Associate	-	-	-	-	842,417,508	-	-	-	-	-	-	842,417,508
Pre-Acquisition Profit	-	-	-	-	38,124	(38,124)	-	-	-	-	-	-
Capital Reserve created during the year	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2018	-	39,075,000	773,737,565	290,652,746	847,076,915	1,565,005,324	24,680,808	(1,115,402)	53,500,000	19,606,483	14,980,872	3,627,200,310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

23. NON-CURRENT BORROWING

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
- Term Loans from Banks	465,822,876	305,045,025	340,375,249
- Vehicle Loans from Banks	7,016,727	357,852	1,355,686
TOTAL	<u>472,839,603</u>	<u>305,402,877</u>	<u>341,730,935</u>

Nature of Security and Terms of Repayment for Long Term Secured Borrowings:

	Nature of Security	Terms of Repayment
23.1	Term Loans from HDFC Bank, balance outstanding amounting to Rs 485.33 lacs (31st March,2017 Rs. 647.11 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 18 Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.20 % p.a. as at year end (previous year - 10.70%)
23.2	Term Loans from HDFC Bank, subsequent disbursement, balance outstanding amounting to Rs 110.52 lacs (31st March,2017 Rs. 147.36) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 18 equal Quarterly Installment starting from December, 2016. Last installment due in March, 2021. Rate of interest 10.20 % p.a. as at year end (previous year - 10.65%)
23.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 630.00 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repayable in 20 quarterly Installment starting from November, 2017. Last installment due in August, 2022. Rate of Interest 9.1% p.a. as at year end (Previous Year Nil)
23.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 2346.00 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	Repayable in 40 Quarterly Installment starting from October, 2018. Last installment due in May, 2028. Rate of Interest 9.1 % p.a. as at year end (Previous Year Nil.)
23.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 231.65 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repayable in 19 quarterly Installment starting from February 2018. Last installment due in August, 2022. Rate of Interest 9.1% p.a. as at year end (Previous Year Nil)
23.6	Term Loan from Axis Bank, balance outstanding amounting to Rs. 180.00 Lacs (31st March, 2017 Rs. 360.00 lacs) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bangalore, 562106 and personal guarantee of one of the Director	The Loan is repayable in 15 Quarterly Installment starting from September 2015. Last installment due in June, 2019. Rate of interest 9.00 % p.a. as at year end (previous year - 10.30% p.a.)
23.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 500.00 Lacs (31st March, 2017 Rs. Nil) is secured by exclusive charge on the immovable property situated at Khasra No 1,2,3 in Akkampeta Village and Khasra No. 287 & 288 Kadlauru Village, Tada Mandal, Nellore District, Andhra Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repayable in 20 Quarterly Installment starting from June, 2018. Last installment due in March, 2023. Rate of interest 10.00 % p.a. as at year end (previous year - Nil.)
23.8	Term Loans from Indus Ind Bank, balance outstanding amounting to Rs 229.01 lacs (31st March,2017 is Rs. Nil) is secured by exclusive charge on the machinery financed by the bank and Corporate Guarantee of ultimate holding company	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 Nil.)
23.9	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**24 OTHER NON-CURRENT FINANCIAL LIABILITIES**

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Security Deposit with Related Parties	13,568,710	12,515,794	11,352,606
TOTAL	13,568,710	12,515,794	11,352,606

25 NON-CURRENT PROVISION

(a) Provision for Employees Benefit	12,897,701	8,717,877	7,971,159
TOTAL	12,897,701	8,717,877	7,971,159

26 OTHER NON-CURRENT LIABILITY

(a) Government Grant	2,978,113	-	-
(b) Advance Lease Rent	1,293,707	2,559,890	3,677,766
TOTAL	4,271,820	2,559,890	3,677,766

27 DEFERRED TAX LIABILITY (NET)**a) Deferred tax Liabilities**

Related to Fixed Assets	69,997,220	65,419,427	75,282,042
TOTAL	69,997,220	65,419,427	75,282,042

28 CURRENT BORROWING**Secured**

a) Working Capital Loans From Banks	2,922,427,702	2,296,566,214	1,834,281,566
TOTAL	2,922,427,702	2,296,566,214	1,834,281,566

28.1 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.

28.2 Working Capital facilities in Overseas Subsidiaries are Secured against Corporate Guarantee / SBLC of Holding company.

29 TRADE PAYABLE

(a) Payable	1,498,643,150	574,930,999	560,182,240
TOTAL	1,498,643,150	574,930,999	560,182,240

29.1 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.

30 OTHER CURRENT FINANCIAL LIABILITIES

(a) Current Maturities of Long-Term Debt	81,365,669	51,787,181	52,756,298
(b) Interest Accrued	9,180,919	6,946,199	9,182,721
(c) Unpaid Dividend	732,263	851,948	817,109
(d) Due to Employee	58,188,345	30,567,153	36,668,955
(e) Expenses Payable	31,645,755	58,688,419	110,867,573
(f) Statutory Dues Payable	16,148,067	12,923,503	22,731,118
(g) Capital Payables	8,641,069	11,604,527	20,961,162
(h) Other Payable	6,491,950	10,731,187	10,228,054
(i) Derivatives-Foreign Exchange forward Contract	20,314,672	-	-
TOTAL	232,708,709	184,100,117	264,212,990

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

31	PROVISIONS	Amount in Rs.		
Particulars	As at	As at	As at	
	31st March, 2018	31st March, 2017	1st April, 2016	
(a) Provision for Employees benefits	18,609,953	10,335,511	8,886,030	
TOTAL	<u>18,609,953</u>	<u>10,335,511</u>	<u>8,886,030</u>	
32	OTHER CURRENT LIABILITIES			
(a) Advance from Customer	78,448,928	21,481,421	14,621,259	
(b) Advance Lease Rent	1,264,751	1,161,636	1,056,950	
TOTAL	<u>79,713,679</u>	<u>22,643,057</u>	<u>15,678,209</u>	
33	REVENUE FROM OPERATIONS			
Particulars		Year Ended	Year Ended	
		31st March, 2018	31st March, 2017	
Sales of products				
(a) Sales Manufactured Goods		4,006,194,018	3,343,517,077	
(b) Sales Stock-in-Trade		2,744,185,538	2,570,013,458	
Other Operating Revenues				
(a) Export Incentives		297,516,213	322,887,642	
(b) Foreign Exchange Gain		57,269,792	183,006,254	
TOTAL		<u>7,105,165,561</u>	<u>6,419,424,431</u>	
34	OTHER INCOME			
(a) Interest Income on Loan & Advances		7,936,146	16,105,942	
(b) Dividend income from Current Investments		697,834	101,073	
(c) Other Non Operating Income				
- Profit on Sale of Current Investments(Net)		12,106,494	65,199	
- Rental Income		26,885,759	26,663,068	
- Profit on Sale of Fixed Assets		-	7,648,679	
- Other Income		20,006,060	4,173,815	
- Net Gain on re-measurement of investment through Profit & Loss Account		4,921,813	7,097,885	
TOTAL		<u>72,554,106</u>	<u>61,855,661</u>	
35	COST OF MATERIALS CONSUMED			
Opening Stock		2,222,404,478	2,037,915,276	
Add : Purchases		2,876,386,943	2,184,579,099	
		5,098,791,421	4,222,494,375	
Less : Closing Stock		2,641,835,133	2,222,404,478	
Excise Duty		1,260,601	18,367,796	
MATERIALS CONSUMED		<u>2,458,216,889</u>	<u>2,018,457,693</u>	
		-		
36	CHANGE IN INVENTORIES OF FINISHED GOODS			
(a) Opening Stock		454,984,749	368,180,969	
(b) Closing Stock		662,864,150	454,984,749	
Decrease/(Increase)		<u>(207,879,401)</u>	<u>(86,803,780)</u>	
37	EMPLOYEE BENEFIT EXPENSES			
(a) Salary & Allowances		419,366,144	386,786,760	
(b) Contribution to Provident & Other Fund		27,301,082	26,210,236	
(c) Staff Welfare Expenses		25,434,601	16,981,128	
(d) Employee Stock Option Plan		7,492,596	23,289,192	
TOTAL		<u>479,594,423</u>	<u>453,267,316</u>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

38	FINANCE COST	Amount in Rs.	
Particulars	Year Ended	Year Ended	
	31st March, 2018	31st March, 2017	
(a) Interest Expense	181,279,561	120,909,781	
(b) Borrowing Cost	14,326,757	18,135,168	
TOTAL	195,606,318	139,044,949	
39	DEPRECIATION AND AMORTISATION		
(a) Depreciation on Property Plant and Equipment	66,319,576	52,443,989	
(b) Depreciation on Intangible Assets	7,417,217	2,709,322	
(c) Depreciation on Investment on Properties	1,090,666	1,090,666	
(d) Preliminary Expenses	-	3,909,243	
TOTAL	74,827,459	60,153,220	
40	OTHER EXPENSES		
	<u>(I) Manufacturing Expenses</u>		
(a) Fabrication Charges	997,713,242	879,553,745	
(b) Other Manufacturing Expenses	28,212,368	14,378,331	
(c) Freight & Cartage	10,282,428	10,212,139	
	<u>(II) Selling & Administrative Expenses</u>		
(a) Legal And Professional Charges	114,722,662	98,764,142	
(b) Power & Fuel	32,652,078	26,223,649	
(c) Bank Charges	35,495,129	44,787,050	
(d) Repair & Maintenance			
- Building	1,322,423	2,698,811	
- Plant & Machinery	12,245,424	10,872,843	
- Others	29,720,207	2,279,732	
(e) Communication	12,264,956	13,431,165	
(f) Rates Taxes & Duties	6,788,582	6,466,048	
(g) Insurance	8,714,890	5,217,167	
(h) Rent	35,728,389	27,853,390	
(i) Travelling & Conveyance	136,540,603	123,412,576	
(j) Freight on Exports	65,323,386	47,780,998	
(k) Commission, Brokerage & Discount	48,382,865	24,749,363	
(l) Loss on Sale /Discard of Fixed Assets	478,384	1,120,646	
(m) Misc. Expenses	61,623,001	69,745,914	
(n) Expenditure towards CSR activities	1,325,500	675,254	
(o) Directors Meeting Fees	376,862	92,222	
(p) Packing Expenses	31,534,301	24,299,036	
(q) Bad Debts	150,267	5,172,863	
(r) Auditors Remuneration	3,672,065	3,652,911	
TOTAL	1,675,270,012	1,443,439,995	
41	TAX EXPENSES		
	<u>I) Current Tax</u>		
(a) Current Tax on taxable income for the year	81,790,559	84,548,080	
	<u>II) Deferred Tax</u>		
(a) Related To Capital Assets	2,470,033	(3,653,091)	
Relating to origination and reversal of temporary differences			
(b) Related to Brought forward Capital losses	-	-	
Income tax expenses reported in statement of profit and loss	84,260,592	80,894,989	
Effective Income Tax Rate	32.59%	31.01%	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- 41.1 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	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Accounting Profit Before Tax	258,583,651	260,871,270
Statutory Income Tax Rate (%)	34.608	34.608
Computed Tax Expenses	89,490,630	90,282,329
Tax In Respect of Earlier Years	4,975,960	5,056,381
Unabsorbed Capital Loss	1,458,699	-
Long Term Capital Gain Exempt for Taxation	(2,786,636)	(773,416)
Lower Tax on Capital Gain	(896,312)	(1,890,864)
Income Exempt From Taxation	(241,507)	(34,979)
Non Taxable/ Differential Tax Rate of Subsidiaries	(11,798,806)	(13,025,485)
Impact of Share of Profit/(Loss) of Associates	4,086,045	2,025,948
Deduction Under Section 24 of Income Tax Act	(1,630,621)	(2,039,003)
Non-Deductible Expenses for Tax Purpose	1,603,140	1,294,078
Income tax charge to statement of profit and loss account	84,260,592	80,894,989

42. CONTINGENT LIABILITIES

Particulars	As at	
	31st March, 2018	31st March, 2017
i) Letter of Credit / Import Bills outstanding -	30,315,084	55,065,322
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	718,231,200	688,052,975
- World Fashion Trade Ltd.	22,806,000	22,699,250
iii) Bill Discounted with Bank	138,720,756	-
iv) Other Guarantee given by bank -with Corporation Bank	4,467,345	4,061,849
v) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia & World Fashion Trade Ltd.	170,427,000	164,266,000
vi) Karnataka Vat Demand Under dispute	5,659,787	5,659,787
vii) TNVAT demand under dispute	52,531,621	52,531,621
viii) Corporate Guarantee executed by the subsidiary company to bank against facilities granted by bank to parent company	240,000,000	240,000,000

42.1 Capital and other Commitments

i) Estimated value of contract remaining to be executed on capital Account and not provided for	2,044,641	8,139,832
ii) Commitments under import of capital goods at concessional rate of custom duty.	17,950,128	17,866,094

43. EMPLOYEE BENEFITS PLANS

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

a) Defined Contribution Plans

Particulars	Year Ended	
	31st March, 2018	31st March, 2017
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	15,951,540	15,056,438
b) Employees State Insurance Corporation	270,502	20,337

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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	Amount in Rs.	
	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
Expected Return on Plan Assets	7.88%	7.26%
Discount Rate	7.88%	7.26%
Salary Increase Rate	6.00%	6.00%
Employee Turnover	5.00%	5.00%
In Service Mortality	IALM (2006-08)	IALM (2006-08)

ii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Current services cost	4,185,947	4,322,250
Net interest expenses	418,264	433,549
Past services cost	2,463,902	-
Components of defined benefit costs recognised in profit or Loss	<u>7,068,113</u>	<u>4,755,799</u>
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/ losses on obligation for the year	(949,719)	1,485,540
Return on Plan Assets	351,625	(550,767)
Net(Income)/Expenses for the Year Ended recognized in OCI	<u>(598,094)</u>	<u>934,773</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	35,745,158	27,573,841
Fair Vale of Plan Asset	(22,847,457)	(18,855,964)
Net Liability arising from defined benefit obligation	<u>12,897,701</u>	<u>8,717,877</u>

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

Opening Defined Obligation	27,573,841	22,162,222
Interest Cost	1,761,382	1,538,993
Current Service Cost	4,185,947	4,322,250
Past Service Cost	2,463,902	-
Benefits Paid	(137,945)	(1,163,738)
Actuarial (Gains)/ Losses	(101,969)	714,114
Closing Defined Benefit Obligation	<u>35,745,158</u>	<u>27,573,841</u>

v) Movements in the fair value of the plan assets are as follows:

Opening fair Value of Plan Assets *	18,855,964	14,191,063
Interest Income	1,343,118	1,105,444
Contribution by the Employee	3,000,000	3,008,690
Return on Plan Assets excluding Interest Income	(351,625)	550,767
Closing Fair Value of Plan Assets	<u>22,847,457</u>	<u>18,855,964</u>

* Fund managed by the approved insurance company Kotak Life Insurance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Amount in Rs.	
	Gratuity	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Investment with insurer	100.00%	100.00%

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2018 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(1,849,353)	2,477,121
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	2,039,507	(1,791,247)
Effect of Increase/decrease in employee turnover by 1% on Defined benefit obligations	241,789	(282,628)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2017 is as follows:

Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(1,733,758)	2,002,149
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	2,007,382	(1,768,474)
Effect of Increase/decrease in employee turnover by 1% on Defined benefit obligations	65,803	(87,276)

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

44. EARNING PER SHARE

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Profit/(loss) for the year	175,005,109	179,933,004
No. of share at the beginning of the year (A)	11,740,945	11,713,848
Equity allotted during the year	440,309	27,097
Weighted average shares (B)	393,320	26,418
Weighted average shares outstanding (nos.) (A+B)	12,134,265	11,740,266
Effect of diluted number of share		
Add:- Employee stock option plan	50,596	96,485
Add:- Convertible preferential share warrant	72,123	175,000
Weighted average number of equity share for diluted earning per share	12,256,985	12,011,751
Basic earning per share	14.42	15.33
Diluted earning per share	14.28	14.98

45. OPERATING LEASE**(a) Assets taken on lease**

The company has taken certain premises under various operating lease agreements. Future minimum lease payments under non cancellable operating leases in the aggregate and for each of the following year.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Not later than One Year	100,000	1,300,000
Later than One Year and not later than Five Years	400,000	400,000
Later than Five Years	3,500,000	3,600,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(b) 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, 2018	31st March, 2017
Not later than one year	25,235,280	25,235,280
Later than one year and not later than five years	15,497,640	40,732,920
Later than five years	-	-

46. 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.

47. 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 23rd September, 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

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	3rd February, 2018			
Vesting Tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting Date	3rd February,2019	3rd February,2020	3rd February,2021	3rd February,2022
Percentage of Vesting	10.00	20.00	30.00	40.00
Exercise Price (in Rs.)	450.00	450.00	450.00	450.00

Grant Date	31st December, 2015		
Vesting Tranche	Vesting I	Vesting II	Vesting III
Vesting Date	31st December, 2016	31st December, 2017	31st December, 2018
Percentage of Vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00

Grant Date	16th September, 2015		
Vesting Tranche	Vesting I	Vesting II	Vesting III
Vesting Date	16th September, 2016	16th September, 2017	16th September, 2018
Percentage of Vesting	33.00	33.00	34.00
Exercise Price (in Rs.)	50.00	50.00	50.00

Grant Date	28th January, 2014	
Vesting Tranche	Vesting I	Vesting II
Vesting Date	1st February, 2015	1st March, 2015
Percentage of Vesting	50.00	50.00
Exercise Price (in Rs.)	156.00	156.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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, 2018 is as under:

Particulars	Year Ended 31st March, 2018
Number of options outstanding at the beginning of the period	115,329
Number of options granted during the year	30,000
Number of options forfeited / lapsed during the year	12,016
Number of options vested during the year	39,812
Number of options exercised during the year	40,309
Number of shares arising as a result of exercise of options	40,309
Money realized by exercise of options (INR), if scheme is implemented directly by the company (Rs.)	20,15,450
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding at the end of the year	93,004
Number of options exercisable at the end of the year	16,954

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	16th September, 2015	31st December, 2015	3rd February, 2018
Weighted Average Share Price	Rs. 468.70	Rs 521.15	Rs. 463.55
Exercise Price	Rs. 50.00	Rs. 50.00	Rs. 450.00
Expected Volatility	29.24%	33.10%	25.71%
Option Life (Comprising of Weighted Average of Vesting Period and Exercise Period)	7 years	7 years	8 years
Expected Dividends	0.21%	0.19%	0.26%
Risk Free Rate of Return	8.17%	7.96%	7.82%

48. EVENT OCCURRING AFTER BALANCE SHEET DATE

The board of Directors has recommended Equity dividend of Rs. 1.20/- per share (Previous year Rs. 1.20/-) for the financial year 2017-18.

49. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Gross amount required to be spent	4,551,172	3,878,848
(b) Amount spent:		
(i) Construction/Acquisition of any Asset	-	-
(ii) On purpose other than (i) above	1,325,500	675,254

50. EXPENSES CAPITALISED DURING THE YEAR

The company has incurred following expenses as pre-operative expenses through Capital-Work-in-Progress

Salaries, Allowances and bonus	19,800,000	16,500,000
Legal and professional expenses	1,074,375	2,869,142
Finance cost	-	7,384,273

51. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

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	As at 31st March, 2018			
	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	1,908,612,763	-	-	1,908,612,763
Cash & Cash Equivalents	270,661,714	-	-	270,661,714
Other Bank Balance	69,323,995	-	-	69,323,995
Loans	71,183,082	-	-	71,183,082
Other Financial Assets	524,053,980	-	-	524,053,980
At FVTPL				
Investments	59,889,927	59,889,927	-	-
Other Financial Assets	-	-	-	-
Financial Liabilities				
At Amortised cost				
Borrowings	3,395,267,304	-	-	3,395,267,304
Trade Payables	1,498,643,150	-	-	1,498,643,150
Other Financial Liabilities	225,962,747	-	-	225,962,747
At FVTPL				
Other Financial Liabilities	20,314,672	-	20,314,672	-

Particulars	As at 31st March, 2017			
	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	913,116,574	-	-	913,116,574
Cash & Cash Equivalents	465,770,224	-	-	465,770,224
Other Bank Balance	77,679,419	-	-	77,679,419
Loans	32,838,653	-	-	32,838,653
Other Financial Assets	221,427,269	-	-	221,427,269
At FVTPL				
Investments	56,299,889	56,299,889	-	-
Other Financial Assets	407,625	-	407,625	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	As at 31st March, 2017			
	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Liabilities				
At Amortised cost				
Borrowings	2,601,969,091	-	-	2,601,969,091
Trade Payables	574,930,999	-	-	574,930,999
Other Financial Liabilities	196,615,911	-	-	196,615,911
At FVTPL				
Other Financial Liabilities	-	-	-	-
Particulars				
As at 1st April, 2016				
Particulars	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	899,360,567	-	-	899,360,567
Cash & Cash Equivalents	241,880,281	-	-	241,880,281
Other Bank Balance	92,350,790	-	-	92,350,790
Loans	22,255,569	-	-	22,255,569
Other Financial Assets	238,522,633	-	-	238,522,633
At FVTPL				
Investments	818	818	-	-
Other Financial Assets	20,387,423	-	20,387,423	-
Financial Liabilities				
At Amortised Cost				
Borrowings	2,176,012,501	-	-	2,176,012,501
Trade Payables	560,182,240	-	-	560,182,240
Other Financial Liabilities	275,565,595	-	-	275,565,595
At FVTPL				
Other Financial Liabilities	-	-	-	-

52. 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.		Share in Profit or Loss	
	Total Assets Minus Total Liabilities		As a % of Consolidated Profit	Amount in Rs
	As a % of Consolidated Net Assets	Amount in Rs		
Parent				
Bhartiya International Ltd	86.49%	2,542,934,405	70.725%	131,879,083
Subsidiary				
Indian Subsidiaries				
Bhartiya Global Marketing Ltd	1.19%	34,987,502	-0.482%	(898,581)
J&J Leather Enterprises Ltd	1.68%	49,297,405	1.159%	2,162,013
Bhartiya International SEZ. Ltd	4.63%	136,014,183	-1.665%	(3,105,209)
Bhartiya Fashion Retail Ltd	-0.04%	(1,124,989)	0.405%	754,681
Bhartiya Urban Infrastructure Ltd.	0.01%	286,372	-0.005%	(9,488)
Foreign Subsidiaries				
World Fashion Trade Ltd.	-0.24%	(7,046,180)	1.382%	2,576,809
Design Industry China Ltd.	-0.06%	(1,753,867)	-2.606%	(4,858,567)
Ultima S. A.	14.58%	428,562,124	25.910%	48,314,845
Ultima Italia SRL	5.84%	171,791,392	2.790%	5,203,320
Design Industry Ltd., Hong Kong	0.46%	13,649,429	2.791%	5,204,407
Sub Total		3,367,597,776		187,223,314
Inter-company Elimination & Consolidation Adjustments	-14.54%	(427,398,622)	-0.405%	(754,681)
Grand Total		2,940,199,154		186,468,633
Non-Controlling Interest in Subsidiaries		(14,980,872)		343,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Name of the Entities	Net Assets i.e.		Share in Profit or Loss	
	Total Assets Minus Total Liabilities			
	As a % of Consolidated Net Assets	Amount in Rs	As a % of Consolidated Profit	Amount in Rs
Share of Profit in Associates		808,813,699		(11,806,649)
		3,734,031,981		175,005,109

53. RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Name of Related Parties & Nature of Relationship:

	Country	Ownership Interest
i) Associate Parties		
Bhartiya City Developers Pvt. Ltd.	India	36.77%
Tada Mega Leather Cluster Pvt Ltd.	India	50%
ii) Executive Directors		
Snehdeep Aggarwal		Managing Director
Jaspal Sethi		Whole Time Director
A.K .Gadhok		Whole Time Director (Resigned from 18.04.2018)
iii) Non-Executive Directors		
Ramesh Bhatia		Director
C.L. Handa		Independent Director
Sandeep Seth		Independent Director
Shashank		Independent Director
A. Sahasranaman		Independent Director
Annapurna Dixit		Independent Director
Sanjay Baweja		Independent Director (Resigned from 03.10.2017)
Amrishpal Singh		Director
Manoj Khattar		Director
Nikhil Aggarwal		Director
Walter willi Zwahlen		Director
iv) Enterprises owned or significantly influenced by Executive Directors or their relatives		
Itopia Management Services (India) Pvt. Ltd.		
Parushni Interior Designs Pvt. Ltd.		
v) Relatives of Executive Directors with whom transactions have taken place		
Kanwal Aggarwal		
Arjun Aggarwal		
vi) Trust (Post Employment Benefit Plan)		
Bhartiya International Ltd. Employees Group Gratuity Scheme		

b) Transactions during the year with Related Parties :

Particulars	2017-18	2016-17
1. Ticketing		
Itopia Management Services (India) Pvt. Ltd	8,791,849	22,595,993
2. Salaries		
Snehdeep Aggarwal	1,839,600	1,839,600
Jaspal Sethi	1,268,250	1,174,200
A.k. Gadhok	703,756	750,288
Arjun Aggarwal	-	275,000
Amrishpal Singh	300,000	300,000
Nikhil Aggarwal	8,672,329	8,618,920
Walter Willi Zwahlen	8,111,337	9,565,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	2017-18	2016-17
3. Lease Rent Paid		
Kanwal Aggarwal	80,000	480,000
4. Lease Rent Received		
Bhartiya City Developers Pvt Ltd	21,304,800	21,304,800
Parushni Interior Designs Pvt Ltd	1,800,000	1,800,000
5. Legal and Professional Fees		
Itopia Management Services (India) Pvt. Ltd	150,000	-
6. Purchase of Fixed Asset		
Parushni Interior Designs Pvt. Ltd.	768,160	-
7. Sitting Fee		
Ramesh Bhatia	2,778	2,778
C.L. Handa	29,999	25,555
Sandeep Seth	32,777	25,555
Shashank	26,277	24,444
A. Sahasranaman	11,112	5,556
Annapurna Dixit	11,112	5,556
Sanjay Baweja	5,556	2,778
8. Contribution to Gratuity Trust		
Bhartiya International Ltd. Employees Group Gratuity Scheme	3,000,000	3,000,000
c) Balances Outstanding at the Year End:		
1. Loan Given		
Tada Mega Leather Cluster Pvt. Ltd.	-	2,823,575
2. Advance Paid		
Bhartiya City Developers Pvt. Ltd.	-	37,660
3. Expenses/Other Payables		
Itopia Management services(India) Pvt. Ltd.	506,032	1,757,848
Kanwal Aggarwal		36,000
Amrishpal Singh	25,000	25,000
4. Security Deposit (Received)		
Bhartiya City Developers Pvt. Ltd.	15,978,600	15,978,600
Parushni Interior Designs Pvt. Ltd.	150,000	150,000

54. FIRST-TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

i) Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

ii) Investments in Subsidiaries and Associates

The Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- i) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date).
- ii) Reconciliation of Balance sheet as at 31st March, 2017.
- iii) Reconciliation of Total Comprehensive Income for the Year Ended 31st March, 2017.
- iv) Adjustments to Statement of Cash Flows.

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

54.1 Reconciliation of Balance sheet as at 1st April, 2016

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	M,N	743,008,958	(116,006,978)	627,001,980
(b) Capital Work-in-Progress		78,492,129		78,492,129
(c) Investment Property	N		58,992,217	58,992,217
(d) Goodwill		2,525,000	-	2,525,000
(e) Intangible assets		6,601,104	-	6,601,104
(f) Intangible Assets under Development		13,180,000	-	13,180,000
(g) Investments accounted for using equity method		384,116,828	-	384,116,828
(h) Financial Assets				
(i) Investments	C	817	-	817
(ii) Loans	D	12,191,167	(784,596)	11,406,571
(iii) Other financial Assets		7,028,112	-	7,028,112
(i) Deferred tax assets (net)	P	2,681,255	4,432,270	7,113,525
(j) Other Non-Current Assets	M	19,926,539	56,240,067	76,166,606
2 Current Assets				
(a) Inventories		2,531,707,819	-	2,531,707,819
(b) Financial Assets				
(i) Investments	C	386,273	(386,272)	1
(ii) Trade Receivables		899,360,568	-	899,360,568
(iii) Cash and Cash Equivalents		241,880,281	-	241,880,281
(iv) Bank Balances Other Than Cash & Cash Equivalents		92,350,790	-	92,350,790
(v) Loans		10,848,998	-	10,848,998
(vi) Others Financial Assets	G,J	155,458,441	96,423,503	251,881,944
(c) Current Tax Assets (Net)	P	-	36,845,010	36,845,010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
(d) Other Current Assets	D	245,163,655	(79,910,599)	165,253,056
TOTAL ASSETS		5,446,908,734	55,844,622	5,502,753,356
II Equity and Liabilities				
1 Equity				
(a) Equity Share Capital		117,138,480	-	117,138,480
(b) Other Equity	O	2,122,308,267	85,621,349	2,207,929,616
2 Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	A	342,354,629	(623,694)	341,730,935
(ii) Other financial liabilities	H	16,087,320	(4,734,714)	11,352,606
(b) Provisions	K	15,123,280	(7,152,121)	7,971,159
(c) Other non-current liabilities	H	-	3,677,766	3,677,766
(d) Deferred Tax Liabilities (Net)	P	36,602,583	38,679,459	75,282,042
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,834,281,566	-	1,834,281,566
(ii) Trade payables		560,182,240	-	560,182,240
(iii) Other financial liabilities		264,212,990	-	264,212,990
(b) Provisions	B	123,996,120	(115,110,090)	8,886,030
(c) Other Current Liabilities (Net)	H	14,621,259	1,056,950	15,678,209
(d) Current Tax Liabilities (Net)	P	-	54,429,717	54,429,717
Total of Equity and Liabilities		5,446,908,734	55,844,622	5,502,753,356

54.2 Reconciliation of Balance sheet as at 31st March, 2017

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 31st March, 2017
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	M,N	901,556,079	(109,096,815)	792,459,264
(b) Capital Work-in-Progress		78,467,278	-	78,467,278
(c) Investment Property	N	-	57,901,551	57,901,551
(d) Goodwill		2,525,000	-	2,525,000
(e) Intangible assets	M	18,749,040	8,024	18,757,064
(f) Investments accounted for using equity method		378,212,841	-	378,212,841
(h) Financial Assets				
(i) Investments	C	20,000,817	1,125,502	21,126,319
(ii) Trade receivables				
(ii) Loans	D	18,321,276	(1,172,858)	17,148,418
(iii) Other financial Assets		7,568,736		7,568,736
(i) Deferred tax assets (net)	P	-	1,458,699	1,458,699
(j) Other Non-Current Assets	M	14,537,521	54,978,662	69,516,183
2 Current Assets				
(a) Inventories		2,803,073,117	-	2,803,073,117
(b) Financial Assets				
(i) Investments	C	29,587,459	5,586,111	35,173,570
(ii) Trade Receivables		913,116,574	-	913,116,574
(iii) Cash and Cash Equivalents		465,770,224	-	465,770,224

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 31st March, 2017
(iv) Bank Balances other than cash & Cash Equivalents		77,679,419	-	77,679,419
(v) Loans		15,690,235	-	15,690,235
(vi) Others Financial Assets	G,J	170,139,920	44,126,238	214,266,158
(c) Current Tax Assets (Net)	P	-	38,531,430	38,531,430
(d) Other Current Assets	D	283,684,713	(99,681,162)	184,003,551
Total Assets		<u>6,198,680,249</u>	<u>(6,234,618)</u>	<u>6,192,445,631</u>
II Equity and Liabilities				
1 Equity				
(a) Equity Share Capital		117,409,450		117,409,450
(b) Other Equity	O	2,502,641,112	55,290,026	2,557,931,138
2 Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	A	305,654,526	(251,649)	305,402,877
(ii) Trade Payables				
(ii) Other Financial Liabilities	H	16,237,320	(3,721,526)	12,515,794
(b) Provisions	K	15,375,366	(6,657,489)	8,717,877
(c) Other Non-Current Liabilities	H	-	2,559,890	2,559,890
(d) Deferred Tax Liabilities (Net)	P	44,052,003	21,367,424	65,419,427
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,296,566,214	-	2,296,566,214
(ii) Trade Payables		574,930,999	-	574,930,999
(iii) Other Financial Liabilities		184,100,117	-	184,100,117
(b) Provisions	B	120,231,721	(109,896,210)	10,335,511
(c) Other Current Liabilities (Net)	H	21,481,421	1,161,636	22,643,057
(d) Current Tax Liabilities (Net)	P		33,913,280	33,913,280
Total of Equity and Liabilities		<u>6,198,680,249</u>	<u>(6,234,618)</u>	<u>6,192,445,631</u>

54.3 Reconciliation of statement of profit and loss for the Year Ended 31st March, 2017

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS Year Ended 31st March, 2017
INCOME				
Revenue from Operations	F,I,J	6,459,047,478	(39,623,047)	6,419,424,431
Other Income	C,D,H	38,097,922	23,757,739	61,855,661
Total Income		<u>6,497,145,400</u>	<u>(15,865,308)</u>	<u>6,481,280,092</u>
EXPENSES				
Cost of material consumed	F	1,984,574,067	33,883,626	2,018,457,693
Purchases of Stock-in-Trade		2,186,995,443	-	2,186,995,443
Change in Inventories of Finished Goods		(86,803,780)	-	(86,803,780)
Employee Benefits Expense	L,F	451,900,685	1,366,631	453,267,316
Finance Costs	A,E,H	137,615,952	1,428,997	139,044,949
Depreciation and Amortization Expense	M	62,333,601	(2,180,381)	60,153,220
Other Expenses	D,J	1,447,803,331	(4,363,337)	1,443,439,994
Total Expenses		<u>6,184,419,299</u>	<u>30,135,536</u>	<u>6,214,554,835</u>
Profit before Share of Net Profit/ (Loss) of Associate		312,726,101	(46,000,842)	266,725,257
Share of net profit/(Loss) of associates		(5,853,988)		(5,853,988)
Profit/ (Loss) Before Tax		306,872,113	-	260,871,269

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to first time adoption	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS Year Ended 31st March, 2017
Exceptional Items		-		-
Profit / (Loss) Before Tax		306,872,113	(46,000,842)	260,871,269
Tax Expenses				
i Current tax		84,548,080	-	84,548,080
ii Deferred tax	P	10,130,674	(13,783,765)	(3,653,091)
Profit / (Loss) for the year		<u>212,193,359</u>	<u>(32,217,079)</u>	<u>179,976,280</u>
Other Comprehensive Income				
Items that will not be Reclassified to profit or Loss				
Remeasurements of the defined benefit plans	K	-	(934,773)	(934,773)
Income tax relating to above items	P		323,506	323,506
Total Comprehensive Income for the Year		<u>212,193,359</u>	<u>(611,267)</u>	<u>179,365,014</u>
Profit Attributable to :				
Owners		212,761,349	-	180,544,270
Non-controlling Interests		(567,990)	-	(567,990)
Other Comprehensive income Attributable to :				
Owners		-		(611,267)
Non-Controlling Interests		-		-
Total Comprehensive Income Attributable to:				
Owners		-		179,933,004
Non-controlling Interests		-		(567,990)

Reconciliation of Equity

Particulars	Notes	As at 31st March, 2017	As at 1st April, 2016
Equity as per previous GAAP		2,319,726,565	2,118,554,760
Share application money pending for allotment as part of Equity		180,000,000	-
Money received against Share Warrant as part of total Equity		105,000,000	105,000,000
Non controlling interest considered as part of total Equity		15,323,997	15,891,987
Adjustment :			
Effective interest rate computation of borrowing outstanding	A	251,647	623,694
Impact of discounting of provisions	K,L	6,279,216	7,152,121
Reversal of proposed dividend and dividend tax	B	16,957,350	16,918,214
Other Export incentive (Focus License)	J	43,718,613	76,036,080
Fair value of investment	C	6,711,611	(386,273)
Impact of measuring derivative contract at fair value	G	407,625	20,387,423
Tax Adjustment	P	(19,036,036)	(35,109,910)
Total Equity as per Ind AS		<u>2,675,340,588</u>	<u>2,325,068,096</u>

54.4 Reconciliation of Income Statement

Particulars	Notes	Year Ended 31st March, 2017
Net Profit(Loss) as per previous GAAP (Indian GAAP)		212,761,349
Other Export incentive (Focus License)		(32,317,467)
Impact of measuring derivative contract at fair value	G	(19,979,798)
Fair value of investment	C	7,097,884
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to other comprehensive income	L	(450,648)
Employee Stock Option Plan	E	(2,457,889)
Effective interest rate computation of borrowing outstanding	A	(372,047)
Tax Adjustments	P	15,651,620
Total Comprehensive income as reported under Ind AS		<u>179,933,004</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

54.5 The following explains the material adjustments made while transition from previous accounting standards to IND AS

A. Borrowings

Under the previous GAAP, transaction costs incurred towards origination of borrowing were charged to the profit and loss as and when incurred. As required under the IND AS 109 these costs have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method.

B Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

C Fair Valuation of Investment

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under IND AS, these investments are required to be measured at fair value through statement of profit and loss and changes in fair value are recognised in statement of profit and loss.

D Security Deposits

Under the previous GAAP, interest free security deposits were recorded at their transaction value. Under IND AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under IND AS. Difference between amortised value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as prepaid lease rent and recognised as expenses uniformly over the lease period. Interest income, measured by the effective interest rate method is accrued. The effect of these is reflected in total equity and / or profit or loss, as applicable.

E Employee Stock Option Expenses

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled share based plan has been recognised based on the fair value of the Options as at the grant date.

F Excise Duty

Under the previous GAAP, revenue from sale of goods was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty expense is charged to Statement of Profit and Loss. There is no impact in the total equity and profit.

G Derivative Instruments - Foreign Exchange Forward Contracts

Under Previous GAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date was provided for. Under Ind AS, foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealised net gain or loss is recognised in profit and loss statement.

H Non-Current Liabilities Security Deposit

Under Previous GAAP, non-current security deposit liabilities were recognised on undiscounted basis. Ind AS requires such liabilities to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current liabilities on the date of transition which was shown as prepaid lease rent. Ind AS also provides that where discounting is used, the carrying amount of the liability increases in each period to reflect the passage of time. This increase is recognised as finance cost. The interest cost on unwinding of discount and impact of change in discount rate has been recognised in the Statement of Profit and Loss under 'Rental costs' and 'finance cost' respectively for the Year Ended 31st March, 2017.

I Revenue from Sale of Goods

Under Previous GAAP, revenue were recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any discounts, any taxes or duties collected on behalf of the government except excise duty. Discounts given include rebates and price reductions which have been reclassified from 'Commission Brokerage & Discount' within other expenses under Previous GAAP and netted from revenue under Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

J Other Export Incentive (Focus License)

Other Export incentives were accounted for on actual receipt basis. Ind AS requires these incentives be accounted for in the year of export.

K Non-Current Provisions

Under Previous GAAP, non-current provisions were recognised on undiscounted basis. Ind AS requires such provisions to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current provisions as on 1st April, 2016 which was recognised in retained earnings. Subsequently, the present value is increased to reflect passage of time by recognising finance cost.

L Employee Benefit Plan

Under the previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.

M Lease Hold Land

Under the previous GAAP, long term leasehold land were recognised in property, plant and equipment. Under Ind AS all leasehold land are considered as operating lease. Consequently depreciation is decreased and rent expenses increase.

N Property given on Lease

Building given on lease were recognised in property, plant and equipment. Ind AS requires such building given on lease were re-classified to investment property from property, plant and equipment.

O Retained Earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

P Tax Impact

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and IND AS.

55. 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	As at	As at
	31st March, 2018	31st March, 2017
Less than 6 month	1,719,220,521	836,099,057
More than 6 month	189,392,242	77,017,517

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

Particulars	As at 31st March, 2018			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	3,105,460,516	242,142,458	129,030,000	3,476,632,973
Trade Payable	1,498,643,150	-	-	1,498,643,150
Other current liabilities	164,911,750	-	-	164,911,750

Particulars	As at 31st March. 2017			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	2,348,234,562	152,972,880	152,430,000	2,653,637,442
Trade Payable	574,930,999	-	-	574,930,999
Other current liabilities	144,947,560	-	-	144,947,560

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. 2018	As at 31st March. 2017
Total Borrowings	3,476,632,973	2,653,637,442
% of Borrowings out of above bearing variable rate of interest	81.21%	83.65%

Interest Rate Sensitivity:

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

Particulars	As at 31st March. 2018	As at 31st March. 2017
100 bp increase would decrease the profit before tax by	25,842,732	21,523,184
100 bp decrease would Increase the profit before tax by	25,842,732	21,523,184

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.2018		As at 31st March.2017	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	6,942,806	34,816,463	3,103,525	27,052,344
EURO	3,224,456	11,760,078	3,696,546	5,352,046
GBP	2,699,577	2,323,634	2,584,548	2,099,202
HKD	40,403,532	8,799,707	15,417,194	3,193,536
RMB	706,295	904,985	1,549,463	1,246,174
CHF	12,641,742	12,269,765	7,089,890	4,130,757

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)**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, 2018		As at 31st March, 2017	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	22,616,191	(22,616,191)	13,166,706	(13,166,706)
EURO	12,929,100	(12,929,100)	12,770,087	(12,770,087)
GBP	12,378,237	(12,378,237)	10,523,890	(10,523,890)
HKD	16,773,526	(16,773,526)	6,433,595	(6,433,595)
RMB	365,225	(365,225)	729,255	(729,255)
CHF	43,067,887	(43,067,887)	22,931,895	(22,931,895)
Foreign Currency Monetary Liabilities				
USD	(113,432,036)	113,432,036	114,769,571	(114,769,571)
EURO	(47,166,143)	47,166,143	18,489,179	(18,489,179)
GBP	(10,661,541)	10,661,541	8,547,636	(8,547,636)
HKD	(3,653,198)	3,653,198	1,332,663	(1,332,663)
RMB	(467,968)	467,968	586,512	(586,512)
RMB	(41,800,636)	41,800,636	13,360,728	(13,360,728)
Impact on Profit or Loss as at the end of reporting year	(109,051,354)	109,051,354	223,641,716	(223,641,716)

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.

Other Price Risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Other Price Risk Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	As at	As at
	31st March. 2018	31st March. 2017
Impact on Profit before tax	393.60	531.85
BSE Sensex 30- Increase 5%	19.68	26.59
BSE Sensex 30- Decrease 5%	(19.68)	(26.59)

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, 30th May,2018

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

CONSOLIDATED FINANCIAL SUMMARY

PARTICULARS	Rs. in Lacs																
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18					
Equity Share Capital	727.88	786.38	786.38	866.38	946.38	1046.38	1106.38	1106.38	1121.38	1171.38	1174.09	1218.13					
Reserves & Surplus	7557.50	8778.76	8915.05	9584.10	10597.23	12007.26	13113.65	14518.27	16276.96	20014.16	25579.31	36272.00					
Net Worth	8955.38	9565.14	9850.72	10749.66	11949.95	13300.71	14395.12	15798.28	17864.48	22394.47	26753.41	37490.13					
Capital Employed	14123.44	12239.03	12418.81	12951.37	12908.50	14613.58	17572.83	19521.88	21582.50	26468.25	30699.56	43225.88					
Gross Fixed Assets	2859.23	2918.21	4633.08	4935.44	6857.03	7926.79	8907.95	9591.43	10428.12	12109.72	7735.88	11683.91					
Net Fixed Assets	1791.85	1674.52	3191.73	3246.21	4906.96	5729.65	6557.74	6888.19	7316.30	8412.82	9501.10	12142.56					
Export Sales including Export Incentives	15167.78	16312.22	18201.11	20635.10	19523.02	25067.32	30306.03	41440.95	55812.77	62215.89	64194.24	71051.66					
Other Income	217.02	333.03	(151.61)	(3.93)	246.16	231.92	315.73	351.49	333.80	378.91	618.56	725.54					
Total Income	15384.80	16645.25	18049.50	20631.17	19769.18	25299.24	30621.76	41792.44	56146.57	62600.50	64812.80	71777.20					
EBDIT	1265.34	1620.19	1980.00	1707.06	2102.78	2929.87	2951.26	4059.35	5299.22	5104.13	4659.23	5408.24					
Depreciation	195.85	189.87	204.16	251.54	281.25	288.70	323.63	395.46	630.24	604.98	601.53	748.27					
EBIT	1069.49	1430.31	1775.83	1455.52	1821.53	2641.17	2627.63	3663.88	4668.98	4499.15	4057.70	4659.97					
Profit before Tax	720.63	1018.44	572.28	858.66	1001.60	1609.53	1442.25	2096.56	2953.65	3192.93	2667.25	2703.91					
Tax Expenses	241.60	238.39	291.43	357.53	337.68	453.79	433.40	646.96	839.46	920.88	808.95	842.61					
Net Profit After Tax	479.03	780.05	280.85	501.13	663.92	1155.74	1008.85	1449.60	2114.19	2272.05	1858.30	1861.30					
Non Controlling Interest	-	-	(0.72)	(0.61)	(0.34)	8.72	(3.73)	(1.45)	14.26	(7.22)	(5.68)	(3.43)					
Share in Profit and Loss of Associates	82.93	141.50	59.13	42.40	26.38	1.82	1.29	0.78	0.44	192.22	(58.54)	(118.07)					
Net Profit	396.10	638.55	222.43	459.34	637.88	1145.19	1013.87	1451.83	2100.37	2471.48	1799.76	1743.23					
Equity Dividend (%)	15.00	15.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	12.00	12.00	12.00					
EPS (Basic) Rs.	5.81	8.12	2.83	5.82	7.36	11.39	9.35	13.12	18.83	21.69	15.33	14.42					
EPS(Diluted) Rs.	5.68	8.12	2.83	5.52	7.15	11.39	9.31	13.06	18.50	21.48	14.98	14.28					

INDEPENDENT AUDITORS' REPORT

**To,
The Members of
Bhartiya International Ltd.**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bhartiya International Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2018, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income, cash flows and changes in equity) of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. 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.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including IND AS specified under section 133 of the Act, of the state of affairs of the Company as at 31st March, 2018 and its profit (including other comprehensive income), its cash flows and statement of changes in equity for the year ended on that date.

Other Matter

The audited standalone financial statement for the year ended 31st March, 2017, was carried out and reported by Sushil Poddar & co., vide their unmodified audit report dated 29th May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 statement 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 as specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March,2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March,2018 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 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 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) The disclosure requirement relating to holding as well as dealing in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statement. Hence, reporting under this clause is not applicable.

for **K A S G & CO.**

Chartered Accountants

Firm's Registration No. 002228C

R. B. Sharma

Partner

Mem. No. 075701

Gurugram, 30th May, 2018

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, 2018, we report that:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme 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 programme, 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) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company, except for a building acquired in earlier year having a carrying value of 18.50 Lacs as at 31st March, 2018.
- ii. The physical verification of inventory excluding stocks with third parties and in transit has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, service tax, duty of excise, GST, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

(b) Following are the amounts which are disputed and not paid by the Company:

Nature of Demand	Amount in Rs	Period to which the Amount Relates	Forum where appeal has been filed
Karnataka VAT	56,59,787	F.Y 2009-2010 & 2010-2011	Karnataka Appellate Tribunal, Bengaluru
Tamil Nadu VAT	5,25,21,621	F.Y 2010-11, 2011-12, 2012-13 & 2013-14	Departmental Authorities

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, money raised by way of term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Act, Where applicable, and the requisite details have been disclosed in the financial statement etc., as required by the applicable Ind As.
- xiv. The Company has complied with the provisions of Section 42 of the Companies Act, 2013 in respect of the allotment of shares/warrants and moneys raised by way of allotment of shares/warrants have been applied for the purposes for which they were obtained.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

for **K A S G & CO.**

Chartered Accountants

Firm's Registration No. 002228C

R. B. Sharma

Partner

Mem. No. 075701

Gurugram, 30th May, 2018

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 Ltd. ("the Company") as of 31st March, 2018 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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **K A S G & CO.**

Chartered Accountants

Firm's Registration No. 002228C

R. B. Sharma

Partner

Mem. No. 075701

Gurugram, 30th May, 2018

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	Amount in Rs.		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	4	796,490,847	742,264,808	568,672,637
(b) Capital Work-in-Progress	4.1	201,868,609	60,410,337	78,492,129
(c) Investment Property	5	56,810,885	57,901,551	58,992,217
(d) Intangible Assets	6	15,817,329	17,940,088	5,777,741
(e) Intangible Assets under Development	6.1	2,335,050	-	13,180,000
(f) Investments in Subsidiaries, Associate and Joint Venture	7	657,608,353	657,608,353	605,339,593
(g) Financial Assets				
(i) Investments	8	1,021	21,126,319	817
(ii) Loans	9	6,913,843	9,944,529	51,064,775
(iii) Other financial Assets	10	7,568,736	7,568,736	7,028,112
(h) Deferred Tax Assets (Net)		-	1,458,699	4,432,270
(i) Other Non-Current Assets	11	71,020,572	69,516,183	76,166,606
2 Current Assets				
(a) Inventories	12	3,270,857,403	2,647,289,259	2,364,760,842
(b) Financial Assets				
(i) Investments	13	59,888,905	35,173,569	1
(ii) Trade Receivables	14	959,043,451	576,234,687	574,449,078
(iii) Cash and Cash Equivalents	15	56,514,558	224,180,616	41,434,856
(iv) Bank Balances other than Cash & Cash Equivalents	16	64,781,577	77,679,420	92,350,790
(v) Loans	17	34,029,263	15,744,260	17,231,112
(vi) Others Financial Assets	18	465,368,374	214,542,080	247,189,389
(c) Current Tax Assets (Net)		4,973,665	35,468,609	35,533,830
(d) Other Current Assets	19	224,580,703	179,999,097	168,722,143
TOTAL ASSETS		6,956,473,144	5,652,051,200	5,010,818,938
II Equity and Liabilities				
1 Equity				
(a) Equity Share Capital	20	121,812,540	117,409,450	117,138,480
(b) Other Equity	21	2,421,121,865	2,262,433,684	1,950,997,936
2 Liabilities				
Non - current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	371,172,458	305,402,875	341,608,725
(ii) Other Financial Liabilities	23	14,052,791	13,001,189	11,839,207
(b) Provisions	24	8,629,164	5,761,211	5,426,150
(c) Other Non-Current Liabilities	25	3,789,170	2,075,808	3,192,370
(d) Deferred Tax Liabilities (Net)	26	68,538,521	67,633,502	75,282,042
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	27	2,823,515,322	2,219,893,778	1,810,107,941
(ii) Trade Payables	28	832,803,324	431,557,839	389,900,666
(iii) Other Financial Liabilities	29	185,338,203	167,662,448	227,352,426
(b) Provisions	30	22,008,270	9,212,525	8,387,591
(c) Other Current Liabilities (Net)	31	73,222,568	16,093,611	15,677,003
(d) Current Tax Liabilities (Net)		10,468,948	33,913,280	53,908,401
Total of Equity and Liabilities		6,956,473,144	5,652,051,200	5,010,818,938

Significant Accounting Policies 3

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, 30th May,2018

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Sandeep SethDirector
DIN: 01408624**Ramesh Bhatia**Director
DIN: 0052320

**STANDALONE STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Note No.	Amount in Rs.	
		Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME			
Revenue from Operations	32	5,182,596,658	4,725,474,731
Other Income	33	52,611,883	57,114,020
Total Income		<u>5,235,208,541</u>	<u>4,782,588,751</u>
EXPENSES			
Cost of material consumed	34	2,452,822,831	2,008,916,425
Purchases of Stock-in-Trade		706,259,084	876,375,199
Change in Inventories of Finished Goods	35	(204,134,737)	(98,009,164)
Employee Benefits Expense	36	346,104,702	331,711,806
Finance Costs (Interest)	37	172,270,519	134,173,667
Depreciation and Amortisation Expense	38	62,879,427	45,908,796
Other expenses	39	1,494,903,525	1,290,180,930
Total Expenses		<u>5,031,105,351</u>	<u>4,589,257,659</u>
Profit / (Loss) Before Tax for the Year		204,103,190	193,331,092
Tax Expenses	40		
i Current Tax		70,731,520	72,756,381
ii Deferred Tax		2,062,237	(4,235,868)
Profit / (Loss) for the year		<u>131,309,433</u>	<u>124,810,579</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Re-measurements of the defined benefit plans		871,131	(1,268,791)
Income Tax relating to above items		(301,481)	439,103.19
Total Comprehensive Income for the Year		<u>131,879,083</u>	<u>123,980,891</u>
Earnings Per Equity Share of Face Value			
Basic (in Rs.)		10.87	10.65
Diluted (in Rs.)		10.76	10.58
Significant Accounting Policies	3		
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, 30th May,2018

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A Equity Share Capital

Particulars	Notes	Amount in Rs.
Balance as at 1st April, 2016		117,138,480
Change in Equity Share Capital during the Year 2016-17	20.1	270,970
Balance as at 31st March, 2017		117,409,450
Change in Equity Share Capital during the Year 2017-18	20.1	4,403,090
Balance as at 31st March, 2018		121,812,540

B Other Equity (Refer Note 21)

Particulars	Share Application Money Pending Allotment	Money Received against Share Warrants	Securities Premium Reserve	General Reserve	Retained Earnings	Employee Stock Options Outstanding	Preferential Share Warrant Forfeited	Other Comprehensive Income (defined benefit plan)	Total
Balance as at 1st April, 2016	-	105,000,000	506,165,000	259,851,233	1,049,548,733	22,775,346	8,500,000	(842,376)	1,950,997,936
Profit for the year	-	-	-	-	124,810,579	-	-	-	124,810,579
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(829,688)	(829,688)
Securities premium on issue of share	-	-	12,657,280	-	-	-	-	-	12,657,280
Employee Stock option reserve for the year	-	-	-	-	-	23,289,192	-	-	23,289,192
Share Application Money received during the year	180,000,000	-	-	-	-	-	-	-	180,000,000
Dividend & Dividends Distribution Tax	-	-	-	-	(16,918,214)	-	-	-	(16,918,214)
Transfer to Security premium on issue of share	-	-	-	-	-	(11,573,400)	-	-	(11,573,400)
Balance as at 31st March, 2017	180,000,000	105,000,000	518,822,280	279,851,233	1,137,441,097	34,491,138	8,500,000	(1,672,064)	2,262,433,684
Profit for the year	-	-	-	-	131,309,433	-	-	-	131,309,433
Other comprehensive income for the year	-	-	-	-	-	-	-	569,650	569,650
Securities premium on issue of share	-	-	254,915,285	-	-	-	-	-	254,915,285
Employee Stock option reserve for the year	-	-	-	-	-	7,492,595	-	-	7,492,595
Transfer to Security premium on issue of share	-	-	-	-	-	(17,302,925)	-	-	(17,302,925)
Equity share issued during the year	(180,000,000)	(60,000,000)	-	-	-	-	-	-	(240,000,000)
Dividend & Dividends Distribution Tax	-	-	-	-	(17,370,857)	-	-	-	(17,370,857)
Preference Share warrants Forfeited	-	(45,000,000)	-	-	-	-	45,000,000	-	-
Preference Share warrants Issued During the Year	-	39,075,000	-	-	-	-	-	-	39,075,000
Transfer from Retained Earning	-	-	-	20,000,000	-	-	-	-	20,000,000
Transfer to General reserve	-	-	-	-	(20,000,000)	-	-	-	(20,000,000)
Balance as at 31st March, 2018	-	39,075,000	773,737,565	299,851,233	1,231,379,673	24,680,808	53,500,000	(1,102,414)	2,421,121,865

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, 30th May,2018

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax as per Statement of Profit and Loss	204,103,190	193,331,092
Adjustment for :		
Finance Cost	172,270,519	134,173,667
Depreciation and Amortisation Expenses	62,879,427	45,673,846
Loss/(Profit) on Sale of Fixed Assets (Net)	478,384	(7,648,679)
Loss/(Profit) on Sale of Investments (Net)	(12,106,494)	(65,199)
Rental Income	(25,584,445)	(26,661,862)
Dividend Income	(697,834)	(101,073)
Interest Income	(7,413,604)	(15,515,830)
Government Grant Income	(132,967)	-
Provision for Employee Stock Option Benefits	7,492,596	23,289,192
Net Loss/(Gain) on Investment Fair Value through Profit and Loss	(4,921,813)	(7,097,885)
Operating profit/(loss) before working capital changes	<u>396,366,959</u>	<u>339,377,269</u>
Movements in working capital:		
Increase/ (Decrease) in Trade Payables	401,245,485	41,657,174
Increase/ (decrease) in Other Financial Liabilities	20,639,214	(50,333,344)
Increase/ (decrease) in Other Liabilities	55,864,206	(699,953)
Increase/ (decrease) in Provisions	16,534,829	(108,796)
Decrease/ (increase) in Inventories	(623,568,144)	(282,528,417)
Decrease/ (Increase) Trade Receivables	(382,808,764)	(1,785,609)
Decrease/ (Increase) in Non-Current Loan	(15,254,320)	42,607,098
Decrease/ (Increase) in Other Current Financial Assets	(250,826,294)	32,647,309
Decrease/ (Increase) in Other Current Assets	(44,581,607)	(11,276,954)
Decrease/ (Increase) in Other Non-Current Assets	1,223,786	398,442
Decrease/ (Increase) in Other Non-Current Financial Assets	-	(540,624)
Cash (Used in) / Generated from Operations	<u>(425,164,649)</u>	<u>109,413,595</u>
Income tax paid (Net)	(63,680,908)	(92,686,280)
Net Cash (used in)/ Generated from Operating Activities - (A)	<u>(488,845,557)</u>	<u>16,727,315</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(255,597,350)	(204,578,607)
Capital Advance/Capital Creditors (Net)	(5,691,633)	(3,104,654)
Proceeds From Sale of Fixed Assets	544,684	13,151,381
Proceeds From Sale of Current Investments(Net)	13,438,269	(101,404,747)
Dividend Income on Current Investments	697,834	101,073
Security Deposit	1,051,602	1,161,982
Rental Income	25,584,445	26,661,862
Interest Income	7,413,604	15,515,830
Fixed Deposit with Bank	12,897,843	14,671,370
Net cash from/ (used in) Investing Activities - (B)	<u>(199,660,702)</u>	<u>(237,824,510)</u>

STANDALONE STATEMENT OF CASH FLOW (CONTD.)

Amount in Rs.

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings (Net)	65,769,583	(36,205,850)
Proceeds from Short-Term Borrowings (Net)	603,621,545	409,785,836
Money Received against Share Warrant / Share Application	39,075,000	180,000,000
Share Capital including Securities Premium	2,015,450	1,354,850
Interest and Processing Fees Paid (Net)	(172,270,519)	(134,173,667)
Dividend Paid (Including Dividend Tax)	(17,370,857)	(16,918,214)
Net cash from/ (used in) financing activities - (C)	<u>520,840,202</u>	<u>403,842,955</u>
Net increase / (Decrease) in cash and Cash Equivalents - (A+B+C)	<u>(167,666,058)</u>	<u>182,745,760</u>
Cash and Cash Equivalents as at beginning of the Year	224,180,616	41,434,856
Cash and Cash Equivalents as at the end of the year	<u>56,514,558</u>	<u>224,180,616</u>
Components of Cash and Cash Equivalents:		
Cash on in Hand	1,466,314	1,572,718
Balances with scheduled banks:		
In Current Accounts	<u>55,048,244</u>	<u>222,607,898</u>
Cash and Cash Equivalents in Cash Flow Statement	<u>56,514,558</u>	<u>224,180,616</u>

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, 30th May,2018

Shilpa Budhia
Company Secretary

Manoj Khattar
Chief Financial Officer

Sandeep Seth
Director
DIN: 01408624

Ramesh Bhatia
Director
DIN: 0052320

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Bhartiya International Ltd. ('the Company') is a Public Ltd. 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.

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

The 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

The Company has applied for the one time transition exemption of considering the carrying cost of the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS, hence regarded thereafter as historical cost.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

3.4 Lease

Operating Lease

As a Lessee

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

As a Lessor

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

3.5 Investment In Subsidiaries and Associates

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

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.

3.7 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.

For the purposes of the cash flow statement, cash and cash equivalents include cash on in 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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.

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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.

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 sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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 subsidiary and associates

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Amount in Rs.									
	LAND			OTHER THAN LAND						Total
	Freehold	Lease hold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment		
Gross Carrying Amount										
Cost as at 1st April, 2016	22,324,670	-	327,654,122	164,980,606	15,796,270	12,543,734	18,853,518	6,519,717	568,672,637	
Addition	-	-	27,486,364	172,194,928	5,001,624	1,693,568	7,454,028	7,152,105	220,982,617	
Disposal	-	-	2,372,360	2,627,931	-	252,361	83,547	166,503	5,502,702	
Balance as at 31st March, 2017	22,324,670	-	352,768,126	334,547,603	20,797,894	13,984,941	26,223,999	13,505,319	784,152,552	
Addition	-	-	3,141,673	86,533,585	2,948,889	9,489,370	3,813,101	4,031,720	109,958,338	
Disposal	-	-	-	186,636	-	3,239,753	-	-	3,426,389	
Balance as at 31st March, 2018	22,324,670	-	355,909,799	420,894,552	23,746,783	20,234,558	30,037,100	17,537,039	890,684,501	
Accumulated Depreciation										
Balance as at 1st April, 2016	-	-	-	-	-	-	-	-	-	
Addition	-	-	11,475,010	16,923,906	2,931,752	2,656,897	4,188,102	3,712,077	41,887,744	
Disposal	-	-	-	-	-	-	-	-	-	
Balance as at 31st March, 2017	-	-	11,475,010	16,923,906	2,931,752	2,656,897	4,188,102	3,712,077	41,887,744	
Addition	-	-	11,797,820	27,673,719	2,890,525	2,821,881	4,472,499	5,052,787	54,709,231	
Disposal	-	-	-	25,405	-	2,377,916	-	-	2,403,321	
Balance as at 31st March, 2018	-	-	23,272,830	44,572,220	5,822,277	3,100,862	8,660,601	8,764,864	94,193,654	
Net Carrying Amount										
Balance as at 1st April, 2016	22,324,670	-	327,654,122	164,980,606	15,796,270	12,543,734	18,853,518	6,519,717	568,672,637	
Balance as at 31st March, 2017	22,324,670	-	341,293,116	317,623,697	17,866,142	11,328,044	22,035,897	9,793,242	742,264,808	
Balance as at 31st March, 2018	22,324,670	-	332,636,969	376,322,332	17,924,506	17,133,696	21,376,499	8,772,175	796,490,847	

4.1 Capital Work in Progress

1st April, 2016	78,492,129
31st March, 2017	60,410,337
31st March, 2018	201,868,609

4.2 Building includes Rs. 18,50,000/- (previous year Rs. 18,50,000/-) acquired in an earlier year, are pending registration in the name of company.

4.3 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of property, plant and equipment as per IGAAP is mentioned below :-

Particulars	LAND			Other than Land						Total
	Freehold	Lease hold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment		
Gross Carrying Amount										
Cost as at 1st April, 2016	22,324,670	-	385,834,281	228,088,449	27,426,924	29,749,035	29,862,729	16,124,758	739,410,846	
Addition	-	-	27,486,364	172,194,928	5,001,624	1,693,568	7,454,028	7,152,105	220,982,617	
Disposal	-	-	3,845,001	4,429,075	-	584,637	132,995	1,615,117	10,606,825	
Balance as at 31st March, 2017	22,324,670	-	409,475,644	395,854,302	32,428,548	30,857,966	37,183,762	21,661,746	949,786,638	
Addition	-	-	3,141,673	86,533,585	2,948,889	9,489,370	3,813,101	4,031,720	109,958,338	
Disposal	-	-	-	186,636	-	3,239,753	-	-	3,426,389	
Balance as at 31st March, 2018	22,324,670	-	412,617,317	482,201,251	35,377,437	37,107,583	40,996,863	25,693,466	1,056,318,587	
Accumulated Depreciation										
Balance as at 1st April, 2016	-	-	58,180,158	63,107,843	11,630,654	17,205,302	11,009,211	9,605,041	170,738,209	
Addition	-	-	11,475,010	16,923,906	2,931,752	2,656,897	4,188,102	3,712,077	41,887,744	
Disposal	-	-	1,472,641	1,801,144	-	332,276	49,448	1,448,614	5,104,123	
Balance as at 31st March, 2017	-	-	68,182,527	78,230,605	14,562,406	19,529,923	15,147,865	11,868,504	207,521,830	
Addition	-	-	11,797,820	27,673,719	2,890,525	2,821,881	4,472,499	5,052,787	54,709,231	
Disposal	-	-	-	25,405	-	2,377,916	-	-	2,403,321	
Balance as at 31st March, 2018	-	-	79,980,347	105,878,919	17,452,931	19,973,888	19,620,364	16,921,291	259,827,740	
Net Carrying Amount										
Balance as at 1st April, 2016	22,324,670	-	327,654,123	164,980,606	15,796,270	12,543,733	18,853,518	6,519,717	568,672,637	
Balance as at 31st March, 2017	22,324,670	-	341,293,117	317,623,697	17,866,142	11,328,043	22,035,897	9,793,242	742,264,808	
Balance as at 31st March, 2018	22,324,670	-	332,636,970	376,322,332	17,924,506	17,133,695	21,376,499	8,772,175	796,490,847	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

5. INVESTMENT PROPERTIES

Particulars	Amount in Rs. Amount
Gross Carrying Amount	
Cost as at 1st April,2016	58,992,217
Addition	
Disposal	
Balance as at 31st March,2017	58,992,217
Addition	
Disposal	
Balance as at 31st March,2018	58,992,217
Accumulated Depreciation	
Balance as at 1 st April,2016	
Addition	1,090,666
Disposal	
Balance as at 31st March,2017	1,090,666
Addition	1,090,666
Disposal	
Balance as at 31st March,2018	2,181,332
Net Carrying Amount	
Balance as at 1 st April,2016	58,992,217
Balance as at 31st March,2017	57,901,551
Balance as at 31st March,2018	56,810,885
Fair Value	
As at 1 st April,2016	274,902,000
As at 31st March,2017	268,902,000
As at 31st March,2018	274,902,000

5.1 Particulars	Year Ended 31st March,2018	Year Ended 31st March,2017
Rental Income derived from Investment Properties	23,104,800	23,104,800
Direct Operating Expenses (including Repairs and Maintenance)	-	-
Generating Rental Income		
Income arising from Investment Properties before Depreciation	23,104,800	23,104,800
Depreciation	1,090,666	1,090,666
Income from Investment Properties (Net)	22,014,134	22,014,134

5.2 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, 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

6. INTANGIBLE ASSETS

Particulars	Amount in Rs.	
	Computer Software	Total
Gross Carrying Amount		
Cost as at 1st April,2016	5,777,741	5,777,741
Addition	14,857,782	14,857,782
Disposal	-	-
Balance as at 31st March,2017	20,635,523	20,635,523
Addition	4,956,770	4,956,770
Disposal		
Balance as at 31st March,2018	25,592,293	25,592,293
Accumulated Depreciation		
Balance as at 1 st April,2016	-	-
Addition	2,695,435	2,695,435
Disposal		
Balance as at 31st March,2017	2,695,435	2,695,435
Addition	7,079,529	7,079,529
Disposal	-	-
Balance as at 31st March,2018	9,774,964	9,774,964
Net Carrying Amount		
Balance as at 1 st April,2016	5,777,741	5,777,741
Balance as at 31st March,2017	17,940,088	17,940,088
Balance as at 31st March,2018	15,817,329	15,817,329

6.1 Intangible Assets under Development

1st April,2016	-	13,180,000
31st March,2017	-	-
31st March,2018	-	2,335,050

6.2 The Company has elected to measure all its intangibles at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of intangible asset as per IGAAP is mentioned below:

Particulars	Computer Software	Total
Gross Carrying Amount		
Cost as at 1st April,2016	12,451,838	12,451,838
Addition	14,857,782	14,857,782
Disposal	-	-
Balance as at 31st March,2017	27,309,620	27,309,620
Addition	4,956,770	4,956,770
Disposal	-	-
Balance as at 31st March,2018	32,266,390	32,266,390
Accumulated Depreciation		
Balance as at 1 st April,2016	6,674,097	6,674,097
Addition	2,695,435	2,695,435
Disposal	-	-
Balance as at 31st March,2017	9,369,532	9,369,532
Addition	7,079,529	7,079,529
Disposal	-	-
Balance as at 31st March,2018	16,449,061	16,449,061
Net Carrying Amount		
Balance as at 1 st April,2016	5,777,741	5,777,741
Balance as at 31st March,2017	17,940,088	17,940,088
Balance as at 31st March,2018	15,817,329	15,817,329

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

7. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

Particulars	Amount in Rs.					
	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Shares (Nos)	Amount (Rs.)	Shares (Nos)	Amount (Rs.)	Shares (Nos)	Amount (Rs.)
A INVESTMENTS IN SUBSIDIARIES						
i. Equity Instrument at cost (Unquoted)						
Equity share of Rs. 10/- each, fully paid in Bhartiya Global Marketing Ltd.	4,999,020	49,990,200	4,999,020	49,990,200	4,999,020	49,990,200
Equity Shares of Rs. 10/- each, fully paid in Bhartiya International SEZ Ltd.	12,069,230	120,692,300	12,069,230	120,692,300	12,069,230	120,692,300
Equity Shares of Rs. 10/- each, fully paid in Bhartiya Fashion Retail Ltd.	500,000	5,000,000	500,000	5,000,000	50,000	500,000
Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Infrastructure Ltd.	50,000	500,000	50,000	500,000	50,000	500,000
Equity Shares in Ultima S.A. Switzerland (having par value of SFR 1,000/-)	1,000	33,785,508	1,000	33,785,508	1,000	33,785,508
Equity Shares in World Fashion Trade Ltd. (having par value of \$ 1/-)	709,000	47,813,540	709,000	47,813,540	1,000	44,780
Total (A)		<u>257,781,548</u>		<u>257,781,548</u>		<u>205,512,788</u>
B INVESTMENTS IN ASSOCIATES						
i. Equity Instrument at Cost (Unquoted)						
1 Equity Shares of Rs. 10 each, fully paid in Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.	-	-	15,996,865	399,960,000	11,200,000	280,000,000
2 Equity Shares of Rs. 10 each, fully paid in Bhartiya City Developers Pvt. Ltd.	34,393,260	399,960,000	-	-	-	-
3 Equity Shares of Rs. 10 each, fully paid in Tada Mega Leather Cluster Pvt. Ltd.	5,000	50,000	5,000	50,000	5,000	50,000
		<u>400,010,000</u>		<u>400,010,000</u>		<u>280,050,000</u>
ii) In Preference Shares at Cost (Unquoted)						
1 Compulsory Convertible Preference Shares of Rs 10 each, fully paid in Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.	-	-	-	-	4,796,865	119,960,000
Total (B)		<u>400,010,000</u>		<u>400,010,000</u>		<u>400,010,000</u>
Total (A+B)		<u>657,791,548</u>		<u>657,791,548</u>		<u>605,522,788</u>
Aggregate amount of unquoted Investments before impairment		<u>657,791,548</u>		<u>657,791,548</u>		<u>605,522,788</u>
Less: Provision for diminution in Value of Investment		183,195		183,195		183,195
Aggregate amount of unquoted Investments after impairment		<u>657,608,353</u>		<u>657,608,353</u>		<u>605,339,593</u>

7.1 The Company had invested in the Equity Shares of Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. (face value of Rs. 10/- each). During the year Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd. merged with Bhartiya City Developers Pvt. Ltd. and in lieu of this, the Company received 2.15 Equity Shares (face value of Rs 10 each) of Bhartiya City Developers Pvt. Ltd. for every one Equity Share held in Bhartiya Urban Infrastructure & Land Development Co. Pvt. Ltd.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

8. NON-CURRENT INVESTMENTS

Particulars	Amount in Rs.					
	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Units (No.)	Amount (Rs.)	Units (No.)	Amount (Rs.)	Units (No.)	Amount (Rs.)
A Investments in Mutual Funds (Unquoted)						
At Fair value through Profit and loss						
i) Reliance ETF Liquid BeES	1.021	1,021	0.982	982	0.817	817
ii) Birla Sun Life Equity Fund -Growth	-	-	16,698	10,836,770	-	-
iii) SBI Blue Chip Fund - Direct Plan - Growth	-	-	295,753	10,288,567	-	-
	-	<u>1,021</u>	-	<u>21,126,319</u>	-	<u>817</u>
Aggregate amount of unquoted Investments	-	1,021	-	21,126,319	-	817
Aggregate amount of impairment in value of unquoted Investments	-	-	-	-	-	-

9. NON-CURRENT LOAN

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured & Considered Good)			
(a) Security and Other Deposits	3,413,024	3,033,134	1,319,423
(b) Loans / Advances to Related Parties (refer note no. 55)	-	2,823,575	49,745,352
(c) Loan to Employee	3,500,820	4,087,820	-
TOTAL	<u>6,913,843</u>	<u>9,944,529</u>	<u>51,064,775</u>

10. OTHER NON CURRENT FINANCIAL ASSETS

(a) Other Advances	7,568,736	7,568,736	7,028,112
TOTAL	<u>7,568,736</u>	<u>7,568,736</u>	<u>7,028,112</u>

11. OTHER NON CURRENT ASSETS

(a) Capital Advances	7,647,233	4,919,058	11,171,039
(b) Security Deposits With Govt. Authorities	9,618,463	9,618,463	8,755,500
(c) Prepayment Lease Rent	53,754,876	54,978,662	56,240,067
TOTAL	<u>71,020,572</u>	<u>69,516,183</u>	<u>76,166,606</u>

12. INVENTORIES

(a) Raw Materials	2,509,918,407	2,124,038,380	1,887,474,289
(b) Raw Materials -In transit	11,462,591	10,014,822	14,644,628
(c) Stock-in-Progress	88,214,392	48,239,450	103,591,817
(d) Finished Goods	629,231,990	425,097,253	327,088,089
(e) Consumable store	32,030,023	39,899,354	31,962,019
TOTAL	<u>3,270,857,403</u>	<u>2,647,289,259</u>	<u>2,364,760,842</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

13. CURRENT INVESTMENTS

Particulars	Amount in Rs.					
	As on 31st March, 2018		As on 31st March, 2017		As on 1st April, 2016	
	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)
a) Investment In Equity Instrument (Quoted)						
At Fair value through Profit and Loss						
Alkyl Amines Chemicals Ltd.	4,579	2,720,155	4,579	2,071,540	-	-
Astra Microwave Products Ltd.	46,443	3,562,178	-	-	-	-
Chambel Fertilisers And Chemicals Ltd.	-	-	43,205	3,748,034	-	-
DCB Bank Ltd.	31,695	5,120,327	31,695	5,396,074	-	-
Firstsource Solutions Ltd.	-	-	69,753	2,908,700	-	-
Intellect Design Arena Ltd.	37,198	6,148,829	13,920	1,600,800	-	-
Karur Vysya Bank	6,387	641,574	-	-	-	-
Kirloskar Brothers Ltd.	7,496	2,329,007	-	-	-	-
Majesco Ltd.	5,627	2,763,701	-	-	-	-
Monte Carlo Fashions Ltd.	2,130	998,970	-	-	-	-
Navneet Education Ltd.	16,540	2,361,912	16,540	2,686,923	-	-
Persistent Systems Ltd.	3,400	2,359,770	-	-	-	-
Premier Explosives Ltd.	10,534	3,524,676	-	-	-	-
Power Mech Projects Ltd.	5,130	4,343,315	5,130	2,740,703	-	-
Praj Industries Ltd.	58,449	4,693,455	33,655	2,694,083	-	-
Pricol Ltd.	30,389	2,633,207	30,389	2,402,250	-	-
RPG Life Sciences Ltd.	8,729	3,332,732	3,346	1,500,514	-	-
Visaka Industries Ltd.	12,961	8,383,822	12,961	3,509,837	-	-
Voltamp Transformers Ltd.	3,724	3,971,274	3,724	3,914,110	-	-
		<u>59,888,904</u>		<u>35,173,568</u>		-
b) Investment In Equity Instrument (Unquoted)						
At Fair value through Profit and Loss						
i) Sai Rayalaseema Paper Mills Ltd.	31,792	1	31,792	1	31,792	1
		<u>1</u>		<u>1</u>		<u>1</u>
Total (A+B)		<u>59,888,905</u>		<u>35,173,569</u>		<u>1</u>
Aggregate amount of Quoted Investments		<u>59,888,904</u>		<u>35,173,568</u>		-
Market Value of quoted Investments		<u>59,888,904</u>		<u>35,173,568</u>		-
Aggregate amount of unquoted Investments		<u>1</u>		<u>1</u>		<u>1</u>

14. TRADE RECEIVABLES

Particulars	As at		As at	
	31st March, 2018	31st March, 2017	31st March, 2017	1st April, 2016
(Unsecured, considered good)				
(a) Trade Receivable	785,855,697	498,817,346	498,817,346	568,644,211
(b) Receivable from Related Parties	173,187,754	77,417,341	77,417,341	5,804,867
TOTAL	<u>959,043,451</u>	<u>576,234,687</u>	<u>576,234,687</u>	<u>574,449,078</u>

14.1 The Company has filed legal Suit for recovery of Rs. 6,162,337/- against one of its overseas customer. Management is confident of recovery of the same and hence has not made any provision for bad & doubtful debts against this.

15. CASH AND CASH EQUIVALENT

a) Balances with Banks			
In current accounts	55,048,244	222,607,898	37,990,977
b) Cash in on Hand	1,466,314	1,572,718	3,443,879
TOTAL	<u>56,514,558</u>	<u>224,180,616</u>	<u>41,434,856</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**16 BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Fixed Deposit with the bank	63,877,055	76,827,473	91,533,681
b) Unpaid dividend account	904,522	851,947	817,109
TOTAL	64,781,577	77,679,420	92,350,790

16.1 Fixed deposits of Rs. 63,877,055/- (previous year Rs 76,827,473/-) are pledged with the banks for various limits and facilities granted.

17 Current Loan

(Unsecured & Considered Good)

(a) Security and Other Deposits	6,313,297	4,333,596	6,414,565
(b) Loans / Advances to related parties (refer note no.55)	8,449,766	1,926,354	1,780,411
(c) Loan to employee	19,266,200	9,484,310	9,036,136
TOTAL	34,029,263	15,744,260	17,231,112

18 Other Current Financial Assets

a) Export incentive receivable	93,101,620	87,256,848	127,368,656
b) Insurance claim receivable	18,862,024	22,461,696	-
c) Vat/ GST Receivable	352,496,415	104,259,626	99,433,310
d) Other Advance	908,315	156,285	-
e) Derivatives-foreign exchange forward contract	-	407,625	20,387,423
TOTAL	465,368,374	214,542,080	247,189,389

18.1 The company's claim of drawback amounting to Rs. 33.63 lacs 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

Particulars	As at		
	31st March, 2018	31st March, 2017	1st April, 2016
a) Advances with suppliers	207,703,654	152,900,780	152,302,345
b) Prepaid Expenses	14,566,907	24,534,108	14,010,314
c) Security Deposit with Govt. Authority	-	290,630	862,963
d) Other Advances	1,048,619	1,012,175	285,225
e) Prepayment lease rent	1,261,523	1,261,404	1,261,296
TOTAL	224,580,703	179,999,097	168,722,143

20. SHARE CAPITAL**Authorised Share Capital**

a) 20,000,000 (31st March,2017: 20,000,000 1st April,2016: 20,000,000) Equity Shares of Rs. 10/- each	200,000,000	200,000,000	200,000,000
b) 500,000 (31st March, 2017: 500,000 1st April,2016: 5,00,000) Preference Shares of Rs. 100/- each	50,000,000	50,000,000	50,000,000
	250,000,000	250,000,000	250,000,000

Issued, Subscribed & Paid up :

a) 12,181,254 (31st March,2017: 11,740,945 1st April,2016: 11,713,848) equity shares of Rs.10/- each fully paid Up.	121,812,540	117,409,450	117,138,480
	121,812,540	117,409,450	117,138,480

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

20.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:
Amount in Rs.

Particulars	As at	As at	As at	As at
	31st March, 2018	31st March, 2018	31st March, 2017	31st March, 2017
	No. of Shares	Amount(Rs.)	No. of Shares	Amount(Rs.)
Shares outstanding at the beginning of the year	11,740,945	117,409,450	11,713,848	117,138,480
Shares Issued during the year	440,309	4,403,090	27,097	270,970
Shares outstanding at the end of the year	<u>12,181,254</u>	<u>121,812,540</u>	<u>11,740,945</u>	<u>117,409,450</u>

20.2 The details of Shareholders holding more than 5% shares

Name of the share holders	As at 31st	As at 31st	As at 31st	As at 31st	As at 1st	As at 1st
	March, 2018	March, 2018	March, 2017	March, 2017	April, 2016	April, 2016
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehdeep Aggarwal	1,143,362	9.39	1,143,362	9.74	1,143,362	9.76
(b) Bhartiya Infotech Pvt. Ltd.	1,000,000	8.21	1,000,000	8.52	1,000,000	8.54
(c) Bhartiya Global Ventures Pvt. Ltd.	1,850,000	15.19	1,850,000	15.76	1,850,000	15.79
(d) Spirit Impex Pvt Ltd.	-	-	685,000	5.83	1,200,000	10.24
(e) Bhartiya Advisory Services Pvt. Ltd.	681,926	5.60	681,926	5.81	681,926	5.82
(f) Timf Holdings	706,474	5.80	-	-	-	-
(g) Morgan Stanley Asia (Singapore) PTE	-	-	-	-	745,315	6.36
(h) Superfine Carpets Pvt. Ltd.	1,236,684	10.15	613,533	5.23	-	-

20.3 Shares Reserved for Issue under Options

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
	No. of Shares	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	93,004	115,329	164,650
b) Preferential Share warrant issued on 2nd January,2016 convertible into equity at a price of Rs.600/-	-	700,000	700,000
c) Preferential Share warrant issued on 14th April,2017 convertible into equity at a price of Rs.521/	300,000	-	-

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:

Particulars	31st March, 2018	31st March, 2017	31st March, 2016	31st March, 2015	31st March, 2014
Shares issued during the period of five Years immediately preceding the reporting date on exercise of option granted under the employee stock option Plan (ESOP) wherein part consideration was received in form of employee services.	40,309	27,097	-	-	-

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. 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 4,00,000 Equity Shares of Rs.10/- each at a premium of Rs.590/- each issued to non-promoters on conversion of preferential Share Warrants.

20.7 During the Year, the company has allotted 40,309 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.)

21 OTHER EQUITY

Particulars	Amount in Rs.									
	Share Application Money Pending Allotment	Money Received against Share Warrants	Securities Premium Reserve	General Reserve	Retained Earnings	Employee Stock Options Outstanding	Preferential share Warrant Forfeited	Comprehensive Income (defined benefit plan)	Other Income	Total
Balance as at 1st April, 2016	-	105,000,000	506,165,000	259,851,233	1,049,548,733	22,775,346	8,500,000	(842,376)	1,950,997,936	
Profit for the year	-	-	-	-	124,810,579	-	-	-	124,810,579	
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(829,688)	(829,688)	
Securities premium on issue of share	-	-	12,657,280	-	-	-	-	-	12,657,280	
Transfer from Retained Earning	-	-	-	20,000,000	-	-	-	-	20,000,000	
Transfer to General reserve	-	-	-	-	(20,000,000)	-	-	-	(20,000,000)	
Employee Stock option reserve for the year	-	-	-	-	-	23,289,192	-	-	23,289,192	
Share Application Money received during the year	180,000,000	-	-	-	-	-	-	-	180,000,000	
Dividends & Dividends Distribution Tax	-	-	-	-	(16,918,214)	-	-	-	(16,918,214)	
Transfer to Security premium on issue of share	-	-	-	-	-	(11,573,400)	-	-	(11,573,400)	
Balance as at 31st March, 2017	180,000,000	105,000,000	518,822,280	279,851,233	1,137,441,097	34,491,138	8,500,000	(1,672,064)	2,262,433,684	
Profit for the year	-	-	-	-	131,309,433	-	-	-	131,309,433	
Other comprehensive income for the year	-	-	-	-	-	-	-	569,650	569,650	
Securities premium on issue of share	-	-	254,915,285	-	-	-	-	-	254,915,285	
Transfer from Retained Earning	-	-	-	20,000,000	-	-	-	-	20,000,000	
Transfer to General reserve	-	-	-	-	(20,000,000)	-	-	-	(20,000,000)	
Employee Stock option reserve for the year	-	-	-	-	-	7,492,595	-	-	7,492,595	
Transfer to Security premium on issue of share	-	-	-	-	-	(17,302,925)	-	-	(17,302,925)	
Equity share issued during the year	(180,000,000)	(60,000,000)	-	-	-	-	-	-	(240,000,000)	
Dividend & Dividends Distribution Tax	-	-	-	-	(17,370,857)	-	-	-	(17,370,857)	
Preference Share warrants Forfeited	-	(45,000,000)	-	-	-	-	45,000,000	-	-	
Preference Share warrants Issued During the Year	-	39,075,000	-	-	-	-	-	-	39,075,000	
Balance as at 31st March, 2018	-	39,075,000	773,737,565	299,851,233	1,231,379,673	24,680,808	53,500,000	(1,102,414)	2,421,121,865	

21.1 The Company has allotted 300,000 warrants to non-promoter on 14 April, 2017 on preferential basis, convertible into equity share of Rs. 10/- each fully paid up. The holders of warrants have a right to apply one equity share of Rs. 10/- each at a premium of Rs. 5.11/- with in a period of 18 months from the date of allotment. Against this the company has received Rs. 130.25/- per warrant.

21.2 300,000 warrants issued to non-promoter on 2nd January, 2016 has been forfeited during the year due to non-exercise of option by the warrant holder within the time line of 18 months from the date of allotment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

22. NON-CURRENT BORROWING

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
- Term Loans from Banks	364,155,732	304,793,374	339,751,555
- Vehicle Loans from Banks	7,016,726	609,501	1,857,170
TOTAL	<u>371,172,458</u>	<u>305,402,875</u>	<u>341,608,725</u>

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 485.33 lacs (31st March,2017 Rs. 647.11 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 18 Quarterly Instalment starting from December, 2016. Last instalment due in March, 2021. Rate of interest 10.20 % p.a. as at year end (previous year - 10.70%)
22.2 Term Loans from HDFC Bank, subsequent disbursement, balance outstanding amounting to Rs 110.52 lacs (31st March,2017 Rs. 147.36) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 18 equal Quarterly Instalment starting from December, 2016. Last instalment due in March, 2021. Rate of interest 10.20 % p.a. as at year end (previous year - 10.65%)
22.3 Term Loans from HDFC Bank, balance outstanding amounting to Rs 630 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repayable in 20 quarterly Instalment starting from November, 2017. Last Instalment due in August, 2022. Rate of Interest 9.1% p.a. as at year end (Previous Year Nil)
22.4 Term Loans from HDFC Bank, balance outstanding amounting to Rs 2346 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	Repayable in 40 Quarterly Instalment starting from October, 2018. Last Instalment due in May, 2028. Rate of Interest 9.1 % p.a. as at year end (Previous Year Nil.)
22.5 Term Loans from HDFC Bank, balance outstanding amounting to Rs 231.65 lacs (31st March,2017 is Rs. Nil) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurugram and personal guarantee of one of the Director.	The loan is repayable in 19 quarterly Instalment starting from February, 2018. Last Instalment due in August, 2022. Rate of Interest 9.1% p.a. as at year end (Previous Year Nil)
22.6 Term Loan from Axis Bank, balance outstanding amounting to Rs. 180 Lacs (31st March, 2017 Rs. 360 lacs) is secured by exclusive charge over the fixed assets funded out of it. Exclusive charge by way of Equitable Mortgage over the immovable property situated at plot No 69, 3rd Road, 1st Phase, Jigani industrial Area, Part of Sy No 588 & 590 Jigani, Anekai Taluk, Bengaluru, 562106 and personal guarantee of one of the Director	The Loan is repayable in 15 Quarterly Instalment starting from September 2015. Last instalment due in June, 2019. Rate of interest 9.00 % p.a. as at year end (previous year - 10.30% p.a.)
22.7 Term Loan from Yes Bank, balance outstanding amounting to Rs. 500 Lacs (31st March, 2017 Rs. Nil) is secured by exclusive charge on the immovable property situated at Khasra No 1,2,3 in Akkampeta Village and Khasra No 287 & 288 Kadlauru Village, Tada Mandal, Nellore District, Andhra Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repayable in 20 Quarterly Instalment starting from June, 2018. Last instalment due in March, 2023. Rate of interest 10.00 % p.a. as at year end (previous year - Nil.)
22.8 Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
23. OTHER NON-CURRENT FINANCIAL LIABILITIES			
(a) Security Deposit with related parties	14,052,791	13,001,189	11,839,207
TOTAL	<u>14,052,791</u>	<u>13,001,189</u>	<u>11,839,207</u>
24. NON-CURRENT PROVISION			
(a) Provision for Employees benefit	8,629,164	5,761,211	5,426,150
TOTAL	<u>8,629,164</u>	<u>5,761,211</u>	<u>5,426,150</u>
25. OTHER NON-CURRENT LIABILITY			
(a) Government Grant	2,978,113	-	-
(b) Advance Lease Rent	811,057	2,075,808	3,192,370
TOTAL	<u>3,789,170</u>	<u>2,075,808</u>	<u>3,192,370</u>
26. DEFERRED TAX LIABILITIES			
a) Deferred tax Liabilities			
Related to Fixed Assets	68,538,521	67,633,502	75,282,042
TOTAL	<u>68,538,521</u>	<u>67,633,502</u>	<u>75,282,042</u>
27. CURRENT BORROWING			
Secured			
- Working Capital Loans From Banks	2,823,515,322	2,219,893,778	1,810,107,941
TOTAL	<u>2,823,515,322</u>	<u>2,219,893,778</u>	<u>1,810,107,941</u>
27.1	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.		
28. TRADE PAYABLE			
(a) Payable	664,755,524	282,796,836	387,556,282
(b) Payable to related parties (refer note no 55)	168,047,800	148,761,003	2,344,384
TOTAL	<u>832,803,324</u>	<u>431,557,839</u>	<u>389,900,666</u>
28.1	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.		
29. OTHER CURRENT FINANCIAL LIABILITIES			
(a) Current maturities of long -term debt	81,365,669	51,668,351	52,408,405
(b) Interest Accrued	9,180,919	6,946,199	9,182,721
(c) Unpaid dividend	732,263	851,948	817,109
(d) Due to employee	24,424,824	28,640,679	29,203,513
(e) Expenses payable	27,703,929	55,420,796	107,488,870
(f) Statutory Dues Payable	10,518,723	11,290,531	6,657,370
(g) Capital Creditors	8,641,069	11,604,527	20,961,162
(h) Other Payable	2,456,135	1,239,418	633,276
(i) Derivatives-foreign exchange forward contract	20,314,672	-	-
TOTAL	<u>185,338,203</u>	<u>167,662,448</u>	<u>227,352,426</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
30. PROVISIONS			
(a) Provision for Employee benefits	<u>22,008,270</u>	<u>9,212,525</u>	<u>8,387,591</u>
TOTAL	<u>22,008,270</u>	<u>9,212,525</u>	<u>8,387,591</u>
31. OTHER CURRENT LIABILITIES			
(a) Advance from Customer	<u>71,957,817</u>	<u>14,933,288</u>	<u>14,621,259</u>
(b) Advance Lease Rent	<u>1,264,751</u>	<u>1,160,322</u>	<u>1,055,744</u>
TOTAL	<u>73,222,568</u>	<u>16,093,611</u>	<u>15,677,003</u>
32. REVENUE FROM OPERATIONS			
Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017	
Sales of products			
(a) Sales Manufactured goods	<u>4,059,517,551</u>	<u>3,287,026,240</u>	
(b) Stock-in-trade	<u>762,874,629</u>	<u>945,237,113</u>	
Other Operating Revenues			
(a) Export Incentives	<u>297,516,213</u>	<u>322,887,642</u>	
(b) Foreign Exchange Gain	<u>62,688,265</u>	<u>170,323,736</u>	
TOTAL	<u>5,182,596,658</u>	<u>4,725,474,731</u>	
33. OTHER INCOME			
(a) Interest Income from loan & advances	<u>7,413,604</u>	<u>15,515,830</u>	
(b) Dividend Income from current investment	<u>697,834</u>	<u>101,073</u>	
(c) Other non operating income			
- Profit on sale of Current Investments(Net)	<u>12,106,494</u>	<u>65,199</u>	
- Rental Income	<u>25,584,445</u>	<u>26,661,862</u>	
- Profit on Sale of Fixed Assets	<u>-</u>	<u>7,648,679</u>	
- Other Income	<u>1,887,694</u>	<u>23,492</u>	
- Net Gain on measurement of investment throughout Profit & loss Account	<u>4,921,813</u>	<u>7,097,885</u>	
TOTAL	<u>52,611,884</u>	<u>57,114,020</u>	
34 COST OF MATERIALS CONSUMED			
Opening Stock	<u>2,222,192,006</u>	<u>2,037,672,753</u>	
Add : Purchases	<u>2,870,995,637</u>	<u>2,175,067,882</u>	
	<u>5,093,187,643</u>	<u>4,212,740,635</u>	
Less : Closing Stock	<u>2,641,625,413</u>	<u>2,222,192,006</u>	
Add : Excise Duty	<u>1,260,601</u>	<u>18,367,796</u>	
TOTAL	<u>2,452,822,831</u>	<u>2,008,916,425</u>	
35. CHANGE IN INVENTORIES OF FINISHED GOODS			
(a) Opening Stock	<u>425,097,253</u>	<u>327,088,089</u>	
(b) Closing Stock	<u>629,231,990</u>	<u>425,097,253</u>	
Decrease/(Increase)	<u>(204,134,737)</u>	<u>(98,009,164)</u>	
36. EMPLOYEE BENEFIT EXPENSES			
(a) Salary & Allowances	<u>298,022,334</u>	<u>274,709,579</u>	
(b) Contribution to Provident & Other Fund	<u>23,161,862</u>	<u>18,717,848</u>	
(c) Staff Welfare Expenses	<u>17,427,910</u>	<u>14,995,187</u>	
(d) Employee Stock Option Plan	<u>7,492,596</u>	<u>23,289,192</u>	
TOTAL	<u>346,104,702</u>	<u>331,711,806</u>	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

37. FINANCE COST

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
(a) Interest Expense- Net	157,943,762	117,015,531
(b) Borrowing Cost	14,326,757	17,158,136
TOTAL	172,270,519	134,173,667

38. DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	54,709,232	41,887,745
(b) Depreciation on Intangible Assets	7,079,529	2,695,435
(c) Depreciation on Investment Property	1,090,666	1,090,666
(d) Preliminary Expenses	-	234,950
TOTAL	62,879,427	45,908,796

39. OTHER EXPENSES

(I) Manufacturing Expenses

(a) Fabrication Charges	942,395,002	814,347,465
(b) Other Manufacturing Expenses	25,732,073	13,012,248
(c) Freight & Cartage	10,282,428	10,212,139

(II) Selling & Administrative Expenses

(a) Legal And Professional Charges	42,320,378	41,701,630
(b) Power & Fuel	17,149,233	15,318,543
(c) Bank Charges	32,310,343	29,333,406
(d) Repair & Maintenance		
- Building	1,322,423	2,152,301
- Plant & Machinery	6,582,831	4,558,043
- Others	23,818,304	14,511,791
(e) Communication	8,784,404	11,014,067
(f) Rates Taxes & Duties	1,837,244	3,556,099
(g) Insurance	5,286,598	3,871,919
(h) Rent	13,185,972	13,191,898
(i) Travelling & Conveyance	119,421,185	104,580,470
(j) Freight on Exports	56,100,839	41,757,436
(k) Commission, Brokerage & Discount	112,040,101	104,863,392
(l) Loss on Sale /Discard of Fixed Assets	478,384	1,120,646
(m) Misc. Expenses	42,802,822	31,627,677
(n) Expenditure towards CSR activities	1,325,500	675,254
(o) Directors Meeting Fees	119,611	92,222
(p) Packing Expenses	31,534,301	24,299,036
(q) Bad Debts	73,549	4,383,248
TOTAL	1,494,903,525	1,290,180,930

40. TAX EXPENSES

I) Current Tax

Current Tax on taxable income for the year	70,731,520	72,756,381
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II) Deferred Tax

Relating to origination and reversal of temporary differences	2,062,237	(4,235,868)
Income tax expenses reported in statement of profit and loss	72,793,757	68,520,513
Effective Income Tax Rate	35.67%	35.44%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

40.1 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	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Accounting Profit Before Tax	204,103,190	193,331,092
Statutory Income Tax Rate (%)	34.608	34.608
Computed Tax Expenses	70,636,032	66,908,024
Tax In Respect of Earlier Years	4,975,960	5,056,381
Unabsorbed Capital Loss	1,458,699	-
Long Term Capital Gain Exempt for Taxation	(2,786,636)	(773,416)
Lower Tax on Capital Gain	(896,312)	(1,890,864)
Income Exempt From Taxation	(241,507)	(34,979)
Deduction Under Section 24 of Income Tax Act	(1,495,514)	(2,038,711)
Non-deductible Expenses for Tax Purpose	1,143,034	1,294,078
Income Tax Charge to Statement of Profit and Loss Account	72,793,757	68,520,513

40.2 Deferred Tax Assets /(Liability)

Opening Balance	(66,174,803)	(70,849,772)
Add: Difference in Books Value and Written Down Value as per Income Tax	(7,775,111)	(8,385,460)
Add: Effect of Unabsorbed Capital Loss	(1,458,699)	(2,973,571)
Add: Tax Income /(expense) on Other Timing Differences	6,870,092	16,034,000
Closing Balance	(68,538,521)	(66,174,803)

41. CONTINGENT LIABILITIES

Particulars	As at	
	31st March, 2018	31st March, 2017
i) Letter of Credit / Import Bills outstanding -	30,315,084	55,065,322
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	718,231,200	688,052,975
- World Fashion Trade Ltd.	22,806,000	22,699,250
iii) Bill Discounted with Bank	138,720,756	-
iii) Other Guarantee given by bank -with corporation Bank	4,467,345	4,061,849
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.	170,427,000	164,266,000
v) Karnataka VAT Demand Under dispute	5,659,787	5,659,787
vii) TN VAT demand under dispute	52,531,621	52,531,621

42. CAPITAL AND OTHER COMMITMENTS

i) Estimated value of contract remaining to be executed on capital Account and not provided for	2,044,641	8,139,832
ii) Commitments under import of capital goods at concessional rate of custom duty.	17,950,128	17,866,094

43. EMPLOYEE BENEFITS PLANS

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

a) Defined Contribution Plans

Particulars	Year Ended	
	31st March, 2018	31st March, 2017
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident fund*	15,877,386	15,056,438
b) Employees State Insurance Corporation	259,287	7,130

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**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	Amount in Rs.	
	Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
Expected Return on Plan Assets	7.88%	7.26%
Discount Rate	7.88%	7.26%
Salary Increase Rate	6.00%	6.00%
Employee Turnover	5.00%	5.00%
In Service Mortality	IALM (2006-08)	IALM (2006-08)

ii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Gratuity	
	Year Ended	Year Ended
	31st March, 2018	31st March, 2017
Current Services Cost	4,041,113	3,216,806
Net Interest Expenses	418,264	433,549
Past Services Cost	2,417,652	-
Components of Defined Benefit Costs Recognised In Profit or Loss	6,877,029	3,650,355
Re-measurement on the Net Defined Benefit Liability:		
Actuarial (Gains)/ Losses on Obligation for the Year	(1,222,756)	1,819,558
Return on Plan Assets	351,625	(550,767)
Net (Income)/Expenses for the Year Ended recognized in OCI	(871,131)	1,268,791

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	31,120,901	24,261,455
Fair Vale of Plan Asset	(22,491,737)	(18,500,244)
Net Liabilities arising from defined benefit obligation	8,629,164	5,761,211

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

Opening Defined Obligation	24,261,455	19,261,493
Interest Cost	1,761,382	1,538,993
Current Service Cost	4,041,113	3,216,806
Past Service Cost	2,417,652	-
Benefits Paid	(137,945)	(1,575,395)
Actuarial (Gains)/ Losses	(1,222,756)	1,819,558
Closing Defined Benefit Obligation	31,120,901	24,261,455

v) Movements in the Fair Value of the Plan Assets are as follows:

Opening fair Value of Plan assets *	18,500,244	13,835,343
Interest Income	1,343,118	1,105,444
Contribution by the Employee	3,000,000	3,008,690
Return on Plan Assets excluding Interest Income	(351,625)	550,767
Closing fair Value of Plan assets	22,491,737	18,500,244

*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.)**Sensitivity Analysis**

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2018 is as follows:

Particulars	Amount in Rs.	
	Increase Effect	Decrease Effect
Effect of Increase/Decrease in discount rate by 1% on Defined Benefit Obligations	(1,986,625)	2,276,534
Effect of Increase/Decrease in salary escalation by 1% on Defined Benefit obligations	2,007,386	(1,813,723)
Effect of Increase/Decrease in employee turnover by 1% on Defined Benefit Obligations	241,789	(282,628)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2017 is as follows:

Effect of Increase/decrease in discount rate by 1% on Defined Benefit Obligations	(1,733,758)	2,002,149
Effect of Increase/decrease in salary escalation by 1% on Defined Benefit Obligations	2,007,382	(1,768,474)
Effect of Increase/decrease in employee turnover by 1% on Defined Benefit Obligations	65,803	(87,276)

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

44. EARNING PER SHARE

Particulars	Year Ended	Year Ended
	31st March, 2018	31st March, 2017
Profit/(loss) for the year	131,879,083	123,980,891
No. of share at the beginning of the year (A)	11,740,945	11,713,848
Equity allotted during the year	440,309	27,097
Weighted average shares (B)	393,320	26,418
Weighted average shares outstanding (nos.) (A+B)	12,134,265	11,740,266
Effect of diluted number of share		
Add:- Employee stock option plan	50,596	96,485
Add:- Convertible preferential share warrant	72,123	175,000
Weighted average number of equity share for diluted earning per share	12,256,985	12,011,751
Basic earning per share	10.87	10.65
Diluted earning per share	10.76	10.58

45. OPERATING LEASE**(a) Assets taken on lease**

The company has taken certain premises under various operating lease agreements. Future minimum lease payments under non cancellable operating leases in the aggregate and for each of the following year.

Particulars	As at	As at
	31st March, 2018	31st March, 2017
Not later than one year	100,000	1,300,000
Later than one year and not later than five years	400,000	400,000
Later than five years	3,500,000	3,600,000

(b) 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.

Not later than one year	25,235,280	25,235,280
Later than one year and not later than five years	15,497,640	40,732,920
Later than five years	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

46. 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.

47. 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 23rd September, 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

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:

Amount in Rs.				
Grant Date		3rd February, 2018		
Vesting Tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting Date	3rd February,2019	3rd February,2020	3rd February,2021	3rd February,2022
Percentage Of Vesting	10.00	20.00	30.00	40.00
Exercise Price (In Rs.)	450.00	450.00	450.00	450.00
Grant date		31st December, 2015		
Vesting tranche	Vesting I	Vesting II	Vesting III	
Vesting date	31st December, 2016	31st December, 2017	31st December, 2018	
Percentage of vesting	33.00	33.00	34.00	
Exercise Price (in Rs.)	50.00	50.00	50.00	
Grant Date		16th September, 2015		
Vesting Tranche	Vesting I	Vesting II	Vesting III	
Vesting Date	16th September, 2016	16th September, 2017	16th September, 2018	
Percentage of Vesting	33.00	33.00	34.00	
Exercise Price (In Rs.)	50.00	50.00	50.00	
Grant Date		28th January, 2014		
Vesting Tranche	Vesting I	Vesting II		
Vesting Date	1st February, 2015	1st March, 2015		
Percentage 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

The activity in the Employees Stock Option Plan during the Year Ended 31st March, 2018 is as under:

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	
Number of options outstanding at the beginning of the period	115,329	
Number of options granted during the year	30,000	
Number of options forfeited / lapsed during the year	12,016	
Number of options vested during the year	39,812	
Number of options exercised during the year	40,309	
Number of shares arising as a result of exercise of options	40,309	
Money realized by exercise of options (INR), if scheme is implemented directly by the company (Rs.)	20,15,450	
Loan repaid by the Trust during the year from exercise price received	NA	
Number of options outstanding at the end of the year	93,004	
Number of options exercisable at the end of the year	16,954	

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	16th September, 2015	31st December, 2015	3rd February, 2018
Weighted Average Share Price (Rs.)	468.70	521.15	463.55
Exercise Price (Rs.)	50.00	50.00	450.00
Expected Volatility (%)	29.24	33.10	25.71
Option Life (Comprising of Weighted Average Of Vesting Period and Exercise Period)	7 years	7 years	8 years
Expected Dividends (%)	0.21	0.19	0.26
Risk Free Rate of Return (%)	8.17	7.96	7.82

48. EVENT OCCURRING AFTER BALANCE SHEET DATE

The board of Directors has recommended Equity dividend of Rs.1.20/- per share (Previous year Rs.1.20/-) for the financial year 2017-18.

49. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars	As at	
	31st March, 2018	31st March, 2017
(a) Gross amount required to be spent	4,551,172	3,878,848
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	1,325,500	675,254
(c) Administrative expenses	-	-

50. 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".

51. PAYMENT TO AUDITOR (INCLUDED IN LEGAL AND PROFESSIONAL CHARGES)

Audit Fees	1,000,000	1,000,000
Ltd. Review	375,000	375,000
Tax Audit	-	100,000
Reimbursement of Expenses	100,000	80,000
Certification	4,200	14,600

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

52. EXPENSES CAPITALISED DURING THE YEAR

The company has incurred following expenses as pre-operative expenses through capital-work-in-progress

Particulars	Amount in Rs.	
	As at 31st March, 2018	As at 31st March, 2017
Salaries, Allowances and bonus	19,800,000	16,500,000
Legal and professional expenses	1,074,375	2,869,142
Finance cost	-	7,384,273

53. 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.

Particulars	As at 31st March, 2018			
	Carrying Amount	Level of Input Used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised cost				
Trade receivable	959,043,451	-	-	959,043,451
Cash & cash equivalents	56,514,558	-	-	56,514,558
Other bank balance	64,781,577	-	-	64,781,577
Loans	10,316,806	-	-	10,316,806
Other financial assets	472,937,110	-	-	472,937,110
At FVTPL				
Investments	59,889,927	59,889,927	-	-
Other financial assets	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Amount in Rs.			
	As at 31st March,2018			
	Carrying Amount	Level of Input Used in		
Level 1		Level 2	Level 3	
Financial Liabilities				
At Amortised Cost				
Borrowings	3,194,687,780	-	-	3,194,687,780
Trade Payables	832,803,324	-	-	832,803,324
Other Financial Liabilities	179,076,322	-	-	179,076,322
At FVTPL				
Other Financial Liabilities	20,314,672	-	20,314,672	-
Particulars				
As at 31st March,2017				
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	576,234,687	-	-	576,234,687
Cash & Cash Equivalents	224,180,616	-	-	224,180,616
Other Bank Balance	77,679,420	-	-	77,679,420
Loans	15,744,260	-	-	15,744,260
Other Financial Assets	214,134,455	-	-	214,134,455
At FVTPL				
Investments	35,173,570	35,173,570	-	-
Other Financial Assets	407,625	-	407,625	-
Financial Liabilities				
At Amortised Cost				
Borrowings	2,525,296,653	-	-	2,525,296,653
Trade Payables	431,557,839	-	-	431,557,839
Other Financial Liabilities	180,663,636	-	-	180,663,636
At FVTPL				
Other Financial Liabilities	-	-	-	-
Particulars				
As at 1st April,2016				
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	574,449,078	-	-	574,449,078
Cash & Cash Equivalents	41,434,856	-	-	41,434,856
Other Bank Balance	92,350,790	-	-	92,350,790
Loans	68,295,887	-	-	68,295,887
Other Financial Assets	233,830,078	-	-	233,830,078
At FVTPL				
Investments	818	818	-	-
Other Financial Assets	20,387,423	-	20,387,423	-
Financial Liabilities				
At Amortised Cost				
Borrowings	2,151,716,667	-	-	2,151,716,667
Trade Payables	389,900,666	-	-	389,900,666
Other Financial Liabilities	239,191,633	-	-	239,191,633
At FVTPL				
Other Financial Liabilities	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**54. 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.	Hong Kong	100%
	Design Industry China Ltd.	China	100%
ii) Associate Parties :			
	Bhartiya City Developers Pvt. Ltd.	India	36.77%
	Tada Mega Leather Cluster Pvt Ltd.	India	50%
iii) Executive Directors:			
	Snehdeep Aggarwal		Managing Director
	Jaspal Sethi		Whole Time Director
	A.K .Gadhok		Whole Time Director (Resigned from 18.04.2018)
iv) Non-Executive Directors			
	Ramesh Bhatia		Director
	C.L. Handa		Independent Director
	Sandeep Seth		Independent Director
	Shashank		Independent Director
	A. Sahasranaman		Independent Director
	Annapurna Dixit		Independent Director
	Sanjay Baweja		Independent Director (Resigned from 03.10.2017)
v) Enterprises owned or significantly influenced by Executive Directors or their relatives :			
	Itopia Management Services (India) Pvt. Ltd.		
	Parushni Interior Designs Pvt. Ltd.		
vi) Relatives of Executive Directors with whom transactions have taken place:			
	Kanwal Aggarwal		
	Arjun Aggarwal		
vii) Trust (Post Employment Benefit Plan)			
	Bhartiya International Ltd. Employees Group Gratuity Scheme		

Particulars	Amount in Rs.	
	2017-18	2016-17
b) Transactions during the year with Related Parties :		
1. Sales		
World Fashion Trade Ltd	30,030,480	24,270,742
Ultima S.A.	102,447,989	66,238,997
Ultima Italia SRL	-	433,094
Design Industry Ltd.	539,340,669	201,531,041

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	2017-18	2016-17
2. Purchase / Job Work		
Ultima Italia SRL	80,579	112,312
J & J Leather Enterprises Ltd	138,664,974	123,087,870
Ultima S.A.	18,558,023	-
Design Industry China Ltd.	1,135,089	3,328,978
3. Ticketing		
Itopia Management Services (India) Pvt. Ltd	8,791,849	22,543,748
4. Salaries		
Snehdeep Aggarwal	1,839,600	1,839,600
Jaspal Sethi	1,268,250	1,174,200
A.k.Gadhok	703,756	750,288
Arjun Aggarwal	-	275,000
5. Lease Rent / Rent Paid		
Bhartiya Global Marketing Ltd.	100,000	100,000
J & J Leather Enterprises Ltd	1,200,000	1,200,000
Kanwal Aggarwal	80,000	480,000
6. Commission Expenses		
Ultima Italia SRL	65,184,022	58,004,163
World Fashion Trade Ltd	-	27,104,169
7. Lease Rent Received		
Bhartiya City Developers Pvt Ltd	21,304,800	21,304,800
Parushni Interior Designs Pvt Ltd	1,800,000	1,800,000
8. Service Charges Paid		
Bhartiya International SEZ Ltd.	3,690,476	2,815,172
Bhartiya Fashion Retail Ltd.	6,000,000	1,675,000
9. Investment in Equity Shares		
World Fashion Trade Ltd.	-	47,768,760
10. Legal and Professional Fees		
Itopia Management Services (India) Pvt. Ltd	150,000	-
11. Purchase of Fixed Asset		
Parushni Interior Designs Pvt. Ltd	768,160	-
12. Sitting Fee		
Ramesh Bhatia	2,778	2,778
C.L. Handa	29,999	25,555
Sandeep Seth	32,777	25,555
Shashank	26,277	24,444
A. Sahasranaman	11,112	5,556
Annapurna Dixit	11,112	5,556
Sanjay Baweja	5,556	2,778
13. Contribution to Gratuity Trust		
Bhartiya International Ltd. Employees Group Gratuity Scheme	3,000,000	3,000,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	2017-18	2016-17
c) Balances Outstanding at the Year End:		
1. Loan Given		
Tada Mega Leather Cluster Pvt. Ltd.	-	2,823,575
2. Advance Paid		
Ultima S.A.	8,312,986	1,150,000
Bhartiya Fashion Retail Ltd.	136,780	738,694
Bhartiya City Developers Pvt. Ltd.	-	37,660
3. Advance with suppliers		
J & J Leather Enterprises Ltd.	6,491,111	6,548,129
Design Industry China Ltd.	11,330	1,965
4. Trade Receivable		
Designs Industry Ltd.	169,405,833	42,980,195
World Fashion Trade Ltd.	3,781,921	23,340,558
Ultima S. A.	-	11,096,588
5. Security Deposit (Paid)		
Bhartiya Global Marketing Ltd.	500,000	500,000
6. Trade Payables		
Bhartiya International SEZ. Ltd.	4,225,314	4,633,425
Ultima Italia SRL	156,721,467	113,628,693
World Fashion Trade Ltd.	7,101,019	30,498,885
7. Expenses/Others Payables		
Itopia Management Services (India) Pvt. Ltd.	506,032	1,757,848
Kanwal Aggarwal		36,000
8. Security Deposit (Received)		
Bhartiya City Developers Pvt. Ltd.	15,978,600	15,978,600
Parushni Interior Designs Pvt. Ltd.	150,000	150,000
9. Advance for Supplies		
Ultima S.A.	59,714,748	-
10. Standby Letter of Credit (SBLC) Issued by Company Bankers		
World Fashion Trade Ltd.	22,806,000	22,699,250
Ultima S.A.	718,231,200	688,052,975
11. Corporate Guarantee given by Company		
World Fashion Trade Ltd., Ultima Italia Srl and Ultima S.A.	170,427,000	164,266,000

55. FIRST-TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the Year Ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

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

i) Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

ii) Investments in Subsidiaries and Associates

The Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- i) Reconciliation of Balance sheet as at 1st April, 2016 (Transition Date).
- ii) Reconciliation of Balance sheet as at 31st March, 2017.
- iii) Reconciliation of Total Comprehensive Income for the Year Ended 31st March, 2017.
- iv) Adjustments to Statement of Cash Flows.

55.1 The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

55.2 Reconciliation of Balance sheet as at 1st April, 2016

Particulars	Notes to First Time Adoption	Regrouped Previous GAAP	Ind AS Adjustment	Amount in Rs.
				As per Ind AS as at 1st April, 2016
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	M,N	684,679,615	(116,006,978)	568,672,637
(b) Capital Work-in-Progress		78,492,129	-	78,492,129
(c) Investment Property	N	-	58,992,217	58,992,217
(d) Intangible Assets		5,777,741	-	5,777,741
(e) Intangible Assets under Development		13,180,000	-	13,180,000
(f) Investments in Subsidiaries, Associate, and Joint Venture		605,339,593	-	605,339,593
(g) Financial Assets				
(i) Investments	C	817	-	817
(ii) Loans	D	51,551,376	(486,601)	51,064,775
(iii) Other Financial Assets		7,028,112	-	7,028,112
(h) Deferred Tax Assets (Net)	P	-	4,432,270	4,432,270
(i) Other Non-Current Assets	M	19,926,540	56,240,066	76,166,606
2 Current Assets				
(a) Inventories		2,364,760,842	-	2,364,760,842
(b) Financial Assets				
(i) Investments	C	386,273	(386,272)	1
(ii) Trade Receivables		574,449,078	-	574,449,078
(iii) Cash and Cash Equivalents		41,434,856	-	41,434,856

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to First Time Adoption	Regrouped Previous GAAP	Amount in Rs.	
			Ind AS Adjustment	As per Ind AS as at 1st April, 2016
(iv) Bank Balances Other Than Cash & Cash Equivalents		92,350,790	-	92,350,790
(v) Loans		17,231,112	-	17,231,112
(vi) Others Financial Assets	G,J	150,765,886	96,423,503	247,189,389
(c) Current Tax Assets (Net)	P	-	35,533,830	35,533,830
(d) Other Current Assets	D	245,590,136	(76,867,993)	168,722,143
TOTAL ASSETS		<u>4,952,944,896</u>	<u>57,874,042</u>	<u>5,010,818,938</u>
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		117,138,480	-	117,138,480
(b) Other Equity	O	1,864,714,866	86,283,070	1,950,997,936
2 LIABILITIES				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	A	342,232,419	(623,694)	341,608,725
(ii) Other Financial Liabilities	H	16,087,320	(4,248,113)	11,839,207
(b) Provisions	K	12,578,271	(7,152,121)	5,426,150
(c) Other Non-Current Liabilities	H	-	3,192,370	3,192,370
(d) Deferred Tax Liabilities (Net)	P	36,602,583	38,679,459	75,282,042
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		1,810,107,941	-	1,810,107,941
(ii) Trade Payables		389,900,666	-	389,900,666
(iii) Other Financial Liabilities		227,352,426	-	227,352,426
(b) Provisions	B	121,608,665	(113,221,074)	8,387,591
(c) Other Current Liabilities (Net)	H	14,621,259	1,055,744	15,677,003
(d) Current Tax Liabilities (Net)	P	-	53,908,401	53,908,401
Total of Equity and Liabilities		<u>4,952,944,896</u>	<u>57,874,042</u>	<u>5,010,818,938</u>

55.3 Reconciliation of Balance Sheet as at 31st March, 2017

Particulars	Notes to First Time Adoption	Regrouped previous GAAP	Amount in Rs.	
			Ind AS Adjustment	As per Ind AS as at 31st March, 2017
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	M, N	855,921,030	(113,656,222)	742,264,808
(b) Capital Work-in-Progress		60,410,337	-	60,410,337
(c) Investment Property	N	-	57,901,551	57,901,551
(d) Intangible Assets		17,940,088	-	17,940,088
(e) Intangible Assets under Development				
(f) Investments in Subsidiaries, Associate, and Joint venture		657,608,353	-	657,608,353
(g) Financial Assets				
(i) Investments	C	20,000,817	1,125,502	21,126,319
(ii) Trade Receivables				
(ii) Loans	D	11,342,105	(1,397,576)	9,944,529
(iii) Other Financial Assets		7,568,736	-	7,568,736
(h) Deferred Tax Assets (Net)	P	-	1,458,699	1,458,699
(i) Other Non-Current Assets	M	14,537,521	54,978,662	69,516,183

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to First Time Adoption	Regrouped previous GAAP	Ind AS Adjustment	Amount in Rs.
				As per Ind AS as at 31st March, 2017
2 Current Assets				
(a) Inventories		2,647,289,259	-	2,647,289,259
(b) Financial Assets		-	-	-
(i) Investments	C	29,587,459	5,586,110	35,173,569
(ii) Trade Receivables		576,234,687	-	576,234,687
(iii) Cash and Cash Equivalents		224,180,616	-	224,180,616
(iv) Bank Balances Other Than Cash & Cash Equivalents		77,679,420	-	77,679,420
(v) Loans		15,744,260	-	15,744,260
(vi) Others Financial Assets	G,J	170,415,842	44,126,238	214,542,080
(c) Current Tax Assets (Net)	P		35,468,609	35,468,609
(d) Other Current Assets	D	271,701,956	(91,702,859)	179,999,097
TOTAL ASSETS		<u>5,658,162,486</u>	<u>(6,111,286)</u>	<u>5,652,051,200</u>
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		117,409,450	-	117,409,450
(b) Other Equity	O	2,206,055,602	56,378,082	2,262,433,684
2 LIABILITIES				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	A	305,654,526	(251,651)	305,402,875
(ii) Trade Payables				
(ii) Other Financial Liabilities	H	16,237,320	(3,236,131)	13,001,189
(b) Provisions	K	12,677,885	(6,916,674)	5,761,211
(c) Other Non-Current Liabilities	H	-	2,075,808	2,075,808
(d) Deferred Tax Liabilities (Net)	P	47,961,615	19,671,887	67,633,502
3 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,219,893,778	-	2,219,893,778
(ii) Trade Payables		431,557,839	-	431,557,839
(iii) Other Financial Liabilities		167,662,448	-	167,662,448
(b) Provisions	B	118,118,735	(108,906,210)	9,212,525
(c) Other Current Liabilities (Net)	H	14,933,288	1,160,323	16,093,611
(d) Current Tax Liabilities (Net)	P	-	33,913,280	33,913,280
Total of Equity and Liabilities		<u>5,658,162,486</u>	<u>(6,111,286)</u>	<u>5,652,051,200</u>

55.4 Reconciliation of Statement of Profit and Loss for the Year Ended 31st March, 2017

Particulars	Notes to First Time Adoption	Regrouped Previous GAAP	Ind AS Adjustment	Amount in Rs.
				As per Ind AS Year Ended 31st March, 2017
INCOME				
Revenue from Operations	F,I,J	4,765,097,778	(39,623,047)	4,725,474,731
Other Income	C,D,H	33,443,355	23,670,665	57,114,020
Total Income		<u>4,798,541,133</u>	<u>(15,952,382)</u>	<u>4,782,588,751</u>
EXPENSES				
Cost of Material Consumed	F	1,975,032,799	33,883,626	2,008,916,425
Purchases of Stock-in-Trade		876,375,199	-	876,375,199
Change in Inventories of Finished Goods		(98,009,164)	-	(98,009,164)
Employee Benefits Expense	L,E	330,287,266	1,424,540	331,711,806
Finance Costs (Interest)	A,E,H	132,744,670	1,428,997	134,173,667
Depreciation and Amortisation Expense		46,997,631	(1,088,835)	45,908,796

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Notes to First Time Adoption	Regrouped Previous GAAP	Ind AS Adjustment	As per Ind AS Year Ended 31st March, 2017
Other Expenses	D,I	1,294,614,418	(4,433,488)	1,290,180,930
TOTAL EXPENSES		<u>4,558,042,819</u>	<u>31,214,840</u>	<u>4,589,257,659</u>
Profit / (Loss) Before Tax for the Year		240,498,314	(47,167,222)	193,331,092
Tax Expenses				
i Current Tax		72,756,381	-	72,756,381
ii Deferred Tax	P	11,359,031	(15,594,899)	(4,235,868)
Profit / (Loss) for the Year		<u>156,382,902</u>	<u>(31,572,323)</u>	<u>124,810,579</u>
Other Comprehensive Income Items that will not be Reclassified to profit or Loss				
Re-measurements of the defined Benefit Plans	K	-	(1,268,791)	(1,268,791)
Income Tax Relating to above Items	P	-	439,103	439,103
Total Comprehensive Income for the Year		<u>-</u>	<u>(32,402,011)</u>	<u>123,980,891</u>

55.5 Reconciliation of Equity

Particulars	Notes	As at 31st March, 2017	As at 1st April, 2016
Equity as per previous GAAP		2,038,465,048	1,876,853,346
Share application money pending for allotment as part of Equity		180,000,000	-
Money received against Share Warrant as part of total Equity		105,000,000	105,000,000
Adjustment :			
Effective interest rate computation of borrowing outstanding	A	251,647	623,694
Impact of discounting of provisions	K,L	6,916,679	7,152,121
Reversal of proposed dividend and dividend tax	B	16,957,350	16,918,214
Other Export incentive (Focus License)	J	43,718,613	76,036,080
Fair value of investment	C	6,711,611	(386,273)
Impact of measuring derivative contract at fair value	G	407,625	20,387,423
Tax Adjustment	P	(18,585,442)	(34,448,189)
Total Equity as per Ind AS		<u>2,379,843,131</u>	<u>2,068,136,416</u>

55.6 Reconciliation of Income Statement

Particulars	Notes	Amount in Rs. Year Endend 31st March, 2017
Net Profit/(Loss) as per previous GAAP (Indian GAAP)		156,382,902
Other Export incentive (Focus License)		(32,317,467)
Impact of measuring derivative contract at fair value	G	(19,979,798)
Fair value of investment	C	7,097,884
Reclassification of actuarial (gain)/loss arising in respect of defined benefit plan to other comprehensive income	L	(235,442)
Employee Stock Option Plan	E	(2,457,889)
Effective interest rate computation of borrowing outstanding	A	(372,047)
Tax Adjustments	P	15,862,747
Total Comprehensive income as reported under Ind AS		<u>123,980,890</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

55.7 The following explains the material adjustments made while transition from previous accounting standards to IND AS

A. Borrowings

Under the previous GAAP, transaction costs incurred towards origination of borrowing were charged to the profit and loss as and when incurred. As required under the IND AS 109 these costs have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method.

B Proposed Dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events and accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting.

C Fair Valuation of Investment

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under IND AS, these investments are required to be measured at fair value through statement of profit and loss and changes in fair value are recognised in statement of profit and loss.

D Security Deposits

Under the previous GAAP, interest free security deposits were recorded at their transaction value. Under IND AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under IND AS. Difference between amortised value of security deposits and the carrying value (transaction value) as per Previous GAAP has been recognised as prepaid lease rent and recognised as expenses uniformly over the lease period. Interest income, measured by the effective interest rate method is accrued. The effect of these is reflected in total equity and / or profit or loss, as applicable.

E Employee Stock Option Expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity-settled share based plan has been recognised based on the fair value of the Options as at the grant date.

F Excise Duty

Under the previous GAAP, revenue from sale of goods was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty expense is charged to Statement of Profit and Loss. There is no impact in the total equity and profit.

G Derivative Instruments - Foreign Exchange Forward Contracts

Under Previous GAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date was provided for. Under Ind AS, foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealised net gain or loss is recognised in profit and loss statement.

H Non-Current Liabilities Security Deposit

Under Previous GAAP, non-current security deposit liabilities were recognised on undiscounted basis. Ind AS requires such liabilities to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current liabilities on the date of transition which was shown as prepaid lease rent. Ind AS also provides that where discounting is used, the carrying amount of the liability increases in each period to reflect the passage of time. This increase is recognised as finance cost. The interest cost on unwinding of discount and impact of change in discount rate has been recognised in the Statement of Profit and Loss under 'Rental costs' and 'finance cost' respectively for the Year Ended 31st March, 2017.

I Revenue from Sale of Goods

Under Previous GAAP, revenue were recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any discounts, any taxes or duties collected on behalf of the government except excise duty. Discounts given include rebates and price reductions which have been reclassified from 'Commission Brokerage & Discount' within other expenses under Previous GAAP and netted from revenue under Ind AS.

J Other Export Incentive (Focus License)

Other Export incentives were accounted for on actual receipts basis. Ind AS requires these incentives be accounted for in the year of export.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

K Non-Current Provisions

Under Previous GAAP, non-current provisions were recognised on undiscounted basis. Ind AS requires such provisions to be recognised at present value (discounted value) where the effect of time value of money is material. This led to a decrease in the value of non-current provisions as on 1st April, 2016 which was recognised in retained earnings. Subsequently, the present value is increased to reflect passage of time by recognising finance cost.

L Employee Benefit Plan

Under the previous GAAP, actuarial gains and losses on employee defined benefit obligations were recognised in profit or loss. Under Ind AS, the actuarial gains and losses on re-measurement of net defined benefit obligations are recognised in other comprehensive income. This resulted in a reclassification between profit or loss and other comprehensive income.

M Lease hold Land

Under the previous GAAP, long term leasehold land were recognised in property, plant and equipment. Under Ind AS all leasehold land are considered as operating lease.

N Property given on Lease

Building given on lease were recognised in property, plant and equipment. Ind AS requires such building given on lease were re-classified to investment property from property, plant and equipment.

O Retained Earnings

Retained earnings as at 1st April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

P Tax Impact

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and IND AS.

56. 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	As at	As at
	31st March, 2018	31st March, 2017
Not Due	911,929,780	445,924,953
Less than 6 month	25,720,948	108,828,984
More than 6 month	21,392,723	20,152,176

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 STANDALONE FINANCIAL STATEMENTS (CONTD.)

Maturity Profile of Financial Liabilities

Particulars	As at 31st March,2018			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	2,904,880,991	242,142,458	129,030,000	3,276,053,449
Trade Payable	832,803,324	-	-	832,803,324
Other current liabilities	118,025,325	-	-	118,025,325

Particulars	As at 31st March,2017			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	2,271,562,129	152,972,880	152,430,000	2,576,965,009
Trade Payable	431,557,839	-	-	431,557,839
Other Current Liabilities	128,995,281	-	-	128,995,281

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	As at
	31st March, 2018	31st March, 2017
Total Borrowings	3,276,053,449	2,576,965,009
% of Borrowings out of above bearing variable rate of interest	86.19%	86.14%

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, 2018	31st March, 2017
100 bp increase would decrease the profit before tax by	25,842,732	21,523,184
100 bp decrease would Increase the profit before tax by	25,842,732	21,523,184

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,2018		As at 31st March,2017	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	9,601,276	35,853,637	4,296,808	27,522,679
EURO	266,645	11,975,613	536,392	5,441,921
GBP	2,699,577	2,323,634	2,584,548	2,099,202
HKD	-	22,567	18,374	22,062

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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,2018		As at 31st March,2017	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	31,276,155	(31,276,155)	13,931,327	(13,931,327)
EURO	1,068,901	(1,068,901)	1,852,483	(1,852,483)
GBP	12,378,237	(12,378,237)	10,519,884	(10,519,884)
HKD	-	-	7,667	(7,667)
Foreign Currency Monetary Liabilities				
USD	(116,811,149)	116,811,149	(89,249,168)	89,249,168
EURO	(48,030,593)	48,030,593	(18,805,103)	18,805,103
GBP	(10,661,541)	10,661,541	(8,550,795)	8,550,795
Other	(93,71)	9,371	(9,209)	9,209
Impact on Profit or Loss as at the end of reporting year	(130,789,361)	130,789,361	(90,302,914)	90,302,914

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.

Other Price Risks

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Other Price Risk Sensitivity

The table below summarizes the impact of increases/decreases of the BSE index on the Company's equity and Gain/Loss for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	INR	
	As at 31st March, 2018	As at 31st March, 2017
Impact on Profit Before Tax	393.60	531.85
BSE Sensex 30- Increase 5%	19.68	26.59
BSE Sensex 30- Decrease 5%	(19.68)	(26.59)

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, 30th May,2018

Shilpa Budhia

Company Secretary

Manoj Khattar

Chief Financial Officer

Sandeep Seth

Director
DIN: 01408624

Ramesh Bhatia

Director
DIN: 0052320

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	Date on which subsidiary was acquired	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, 2018	3rd January, 1996	INR	49,990,200	(9,035,203)	44,911,304	3,956,307	32,267,500	2,831,670	(1,300,451)	(401,870)	(898,581)	100
J&J Leather Enterprises Ltd.	31st March, 2018	20th March, 1999	INR	20,750,000	28,547,405	98,913,482	49,616,077	-	138,689,406	4,137,640	1,738,723	2,398,917	100
Bhartiya International SEZ Ltd.	31st March, 2018	27th February, 2007	INR	135,692,300	321,883	136,361,565	347,382	-	3,690,476	(3,111,387)	-	(3,111,387)	88.95
Bhartiya Urban Infrastructure Ltd.	31st March, 2018	6th August, 2015	INR	500,000	(213,628)	297,122	10,750	-	-	(9,488)	-	(9,488)	100
Bhartiya Fashion Retail Ltd.	31st March, 2018	26th August, 2009	INR	5,000,000	(5,370,308)	1,277,505	1,647,813	-	6,000,000	754,681	-	754,681	100
Ultima S. A	31st March, 2018	22nd July, 2002	CHF	33,785,508	383,386,759	1,253,184,975	836,012,708	169,040,646	1,783,451,235	53,991,842	6,874,607	47,117,235	100
Design Industry Ltd.	31st March, 2018	29th July, 2014	HK\$	830,300	11,907,507	269,789,960	257,052,154	-	803,762,530	3,045,922	-	3,045,922	100
Design Industry China Ltd.	31st March, 2018	8th September, 2015	RMB/Yuan	2,106,521	(3,861,982)	8,369,781	10,125,242	-	39,550,975	(49,155,444)	-	(4,915,544)	100
Ultima Italia SRL	31st March, 2018	6th February, 2003	EURO	160,388,000	14,090,407	343,979,091	169,500,685	-	164,411,019	4,151,823	3,022,757	1,129,066	100
World Fashion Trade Ltd.	31st March, 2018	22nd August, 2006	HK\$	47,813,540	(56,221,805)	7,871,153	87,119,418	-	116,638,981	2,561,791	-	2,561,791	100

	CHF	HK\$	Euro	RMB Yuan
Exchange rate for Balance Sheet items (except shares capital figures which are stated at invested value)	68.136	8.303	80.194	10.342
Exchange rate for Profit and Loss	66.447	8.255	75.251	9.74

PART-B: ASSOCIATES AND JOINT VENTURES

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates and Joint Ventures	Balance Sheet Date	Date on which the Associate was acquired	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
Tada Mega Leather Cluster Pvt. Ltd.	31st March, 2018	4th March, 2013	5000	50000	50.00%	Voting Power	Not Applicable	(58,044)	-
Bhartiya City Developers Pvt. Ltd. *	31st March, 2018	26th August, 2017	34393260	399960000	36.77%	Voting Power	Not Applicable	1,208,881,743	(11,791,415)

* The figures for Bhartiya City Developers Private Limited are figures after consolidation with its subsidiaries Bhartiya Developers Consortium Private Limited, Milestone Buildcon Private Limited and LLP - MSCK Projects LLP.

DIRECTORS' 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, 2018.

FINANCIAL RESULTS

The financial results of the Company for the Financial Year Ended 31st March, 2018 are as follows:

Particulars	(Rs. in Lacs)	
	2017-18	2016-17
Net Sales/Income from Operations	28.32	123.22
Other Income	6.54	17.26
Total Expenses	47.87	154.10
Tax Expense	(4.02)	(3.08)
Profit/(Loss) for the year after Tax	(8.99)	(10.54)

PERFORMANCE REVIEW

During the year under review, your Company achieved a turnover of Rs. 28.32 lacs as against Rs. 123.22 lacs in the previous year. The Net Loss after tax was reported at Rs. 8.98 lacs.

DIVIDEND

Your directors do not recommend any dividend for the financial Year Ended 31st March, 2018.

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 having only one subsidiary - J&J Leather Enterprises Ltd.

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.

EXTRACT OF ANNUAL RETURN

The details forming part of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, forms an integral part of this Report. The same is provided herewith as Annexure A.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Manoj Khattar (DIN: 00694981), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Ashok Kumar Gadhok, DIN: 01254410 was appointed as Additional Director with effect from 2nd April, 2018. He holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Mr. Ashok Kumar Gadhok on the Board is advantageous and would be beneficial to the company and hence an item relating to his regularisation forms part of the Notice of the Annual General Meeting.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2017-18, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2017-18 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Ramesh Bhatia	Mr. Manoj Khattar	Ms. Jaspal Sethi
27.05.2017	Present	Present	Present
30.09.2017	Absent	Present	Present
25.12.2017	Absent	Present	Present
31.03.2018	Absent	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 as '**Annexure B**'.

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:

1. that in the preparation of the annual accounts for the financial Year Ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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, 2018 and of the losses of the company for the Year Ended on that date;
3. 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;
4. that the annual accounts have been prepared on a going concern basis; and
5. 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

The Auditors of the Company, M/s. Sushil Poddar & Co., Chartered Accountants (Firm Registration No. 014969N) had been appointed as the Statutory Auditors to hold office upto 26th Annual General Meeting. Your directors have recommended their ratification in the ensuing Annual General Meeting for a further period of 5 years.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2018-2019.

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

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.

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 2017-18, the Company had 5 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 2017-18 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**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 information on foreign exchange earnings and outgo, if any, are contained in notes to the accounts.

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, 2018 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, 29th May, 2018

ANNEXURE-A**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial Year Ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U74899DL1996PLC075128
ii) Registration Date : 03/01/1996
iii) Name of the Company : Bhartiya Global Marketing Ltd.
iv) Category Sub-Category of Company : Public Limited Company
v) Address of the Regd. Office and contact details : E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
vi) Whether listed company : N.A.
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. N.	Name and Description of Main Products/Services	NIC Code of the Product/Service	% to Total Turnover of the Company
1	Wholesale on a fee or contract basis	4641	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai-600048 Tamil Nadu	L74899TN1987PLC111744	Holding	100%	2(46)
2	J&J Leather Enterprises Ltd. 56/7, Nallambakkam Village, (Via Vandalur) Chennai-600048 Tamil Nadu	U18209TN1991PLC020874	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter (s)									
1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	4999020	4999020	100	-	4999020	4999020	100	-
e) Banks/Fiis	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	4999020	4999020	100	-	4999020	4999020	100	-

Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Share holding during the year
	Demat	Physical	Total Shares	% of	Demat	Physical	Total	% of Total Shares	
Foreign									
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. Other	-	-	-	-	-	-	-	-	-
c. Individuals	-	-	-	-	-	-	-	-	-
d. Bodies Corp	-	-	-	-	-	-	-	-	-
e. Banks/Flls	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	4999020	4999020	100	-	4999020	4999020	100	-
Public Shareholding Institutions	-	-	-	-	-	-	-	-	-
g. Mutual Funds	-	-	-	-	-	-	-	-	-
h. Banks / FI	-	-	-	-	-	-	-	-	-
i. Central Govt.	-	-	-	-	-	-	-	-	-
j. State Govt(s)	-	-	-	-	-	-	-	-	-
k. Venture	-	-	-	-	-	-	-	-	-
l. Capital Funds	-	-	-	-	-	-	-	-	-
m. Insurance Companies	-	-	-	-	-	-	-	-	-
n. Flls	-	-	-	-	-	-	-	-	-
o. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
p. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Indian	-	-	-	-	-	-	-	-	-
c) Overseas	-	-	-	-	-	-	-	-	-
d) Individuals	-	-	-	-	-	-	-	-	-
e) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
f) Individual shareholders holding nominal share capital in excess of Rs .1 lakh	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	4999020	4999020	100	-	4999020	4999020	100	-

ii) Shareholding of Promoters

S. N.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of share	% of total Shares of the company	% Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Bhartiya International Ltd.	4,999,020	100	-	4,999,020	100.00	-	-
	TOTAL	4,999,020	100	-	4,999,020	100.00	-	-

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
No Change					

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. N.	Particulars For each of the top 10 share holders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	- NIL -			
	Date-wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.				
	At the End of the year				

v) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	- NIL -			
	Date-wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc.				
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness in Rs.
Indebtedness at the beginning of the financial year	-	-	-	-
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
i. Addition	-	-	-	-
ii. Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

S. N.	Particulars of Remuneration	Total Amount in Rs.
1.	Gross Salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify...	
5.	Others, please specify	
	Total (A)	-
	Ceiling as per the Act	-

B. Remuneration to other Directors:

Particulars of Remuneration	Total Amount in Rs.
Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify	-
Total (1)	
2. Other Non-Executive Directors - Fee for attending board committee meetings - Commission - Others, please specify	
Total (2)	-
Overall Ceiling as per the Act	

C. Remuneration to Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director

(Amount in Rs.)

Particulars of Remuneration	Key Managerial Personnel			
	MD	Company Secretary	CFO	Total
1. Gross Salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2. Stock Option				
3. Sweat Equity		-		-
4. Commission - as % of profit - others, specify...				
5. Others, please specify				
Total	-			-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the Year Ended 31st March, 2018.

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. 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	

2. Details of material contracts or arrangements or 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 Ltd.	Lease Rent Received	Ongoing basis	Rs. 1,00,000/-	-
2	J & J Leather Enterprises Ltd	Consultancy Received	Ongoing basis	Rs. 6,00,000/-	-
3	Design industry Ltd.	Sales	Ongoing basis	Rs. 28,31,670/-	-
4	Ultima S A	Purchase	Ongoing basis	Rs. 26,97,521/-	-

INDEPENDENT AUDITORS' REPORT

**To,
The Members of
Bhartiya Global Marketing Ltd.**

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya Global Marketing Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2018, the statement of profit and loss (including other comprehensive income) the cash flow statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 state of affairs, profit /loss and other comprehensive income, statement of changes in equity and cash flow statement 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.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 31st March, 2018 and its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 balance sheet, the Statement of Profit and Loss(including other comprehensive income) the statement of changes in equity and the statement of 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 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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) The disclosures regarding details of specified bank notes held and transacted during 8th November,2016 to 30st December,2016 has not been made since the requirement does not pertain to financial year ended 31st March,2018.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem.No. 094479

New Delhi, 29th May, 2018

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, 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have been physically verified by the Management during the year which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 2 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year. No discrepancies with respect to book records were noticed on such verification.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.

- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for the company.
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, goods and service tax, duty of customs, service tax, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues in respect of GST/VAT, Income Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- vii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- viii. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- ix. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- x. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xi. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiii. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xv. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **SUSHIL PODDAR & CO.**
Chartered Accountants
Firm's Registration No. 014969N

S.K. PODDAR
Partner
Mem.No. 094479

New Delhi, 29th May, 2018

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 Ltd. ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **SUSHIL PODDAR & CO.**

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem.No. 094479

New Delhi, 29th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	Amount in Rs.		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	1	293,185	329,972	373,216
(b) Investment Property	2	492,800	492,800	492,800
(c) Investments in Subsidiaries, Associate, and Joint Venture	3	32,267,500	32,267,500	32,317,500
(d) Financial Assets				
(i) Loans	4	21,000	21,000	21,000
(e) Deferred Tax Assets (Net)		2,072,497	1,653,424	1,309,387
2 Current Assets				
(a) Inventories	5	151,710	151,710	168,567
(b) Financial Assets				
(i) Trade Receivables	6	3,501,570	3,371,979	21,236,877
(ii) Cash and Cash Equivalents	7	4,324,096	5,643,599	1,421,876
(iii) Loans	8	224,268	132,575	176,602
(d) Other Current Assets	9	1,562,678	1,541,767	1,604,240
Total Assets		<u>44,911,304</u>	<u>45,606,326</u>	<u>59,122,065</u>
II Equity and Liabilities				
1 Equity				
(a) Equity Share Capital	10	49,990,200	49,990,200	49,990,200
(b) Other Equity	11	(9,035,203)	(8,104,118)	(7,050,354)
2 Liabilities				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Other Financial Liabilities	12	15,918	14,605	13,399
(b) Provisions	13	124,234	31,546	382,558
(c) Other Non-Current Liability	14	482,649	484,081	485,396
3 Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	15	2,718,801	2,622,603	14,883,731
(ii) Other Financial Liabilities	16	456,888	331,115	285,029
(b) Provisions	17	157,817	236,294	132,107
Total of Equity and Liabilities		<u>44,911,304</u>	<u>45,606,326</u>	<u>59,122,065</u>

Significant Accounting Policies 1A
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. 014869N

For and on behalf of the Board

S. K. Poddar
Partner
Mem.No. 094479
New Delhi, 29th May, 2018

Manoj Khattar
Director
DIN: 00694981

A. K. Gadhok
Director
DIN: 01254410

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

Particulars	Note No.	Amount in Rs.	
		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Income			
Revenue from Operations	18	2,831,670	12,321,980
Other Income	19	654,390	1,726,452
Total Income		3,486,060	14,048,432
Expenses			
Purchase of Stock in trade		2,697,521	11,310,692
Change in Inventories of Finished Goods	20	-	16,857
Employee Benefits Expense	21	1,708,404	2,913,052
Depreciation and Amortisation Expense	22	36,787	43,244
Other Expenses	23	343,799	1,125,962
Total Expenses		4,786,511	15,409,807
Profit/ (Loss) before Tax		(1,300,451)	(1,361,376)
Tax expenses	24		
i Current Tax		-	36,426
ii Deferred Tax		(401,870)	(344,038)
Profit / (Loss) for the Year		(898,581)	(1,053,764)
Other Comprehensive Income		-	-
Items that will not be Reclassified to Profit or Loss			
Re-measurements of the defined benefit plans		(49,707)	-
Income tax relating to above items		17,203	-
Total Comprehensive Income for the Year		(931,085)	(1,053,764)
Earnings per Equity Share of face Value			
Basic (in Rs.)		(0.19)	(0.21)
Diluted (in Rs.)		(0.19)	(0.21)
Significant Accounting Policies	1A		
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. 014869N

For and on behalf of the Board

S. K. Poddar
Partner
Mem.No. 094479
New Delhi, 29th May, 2018

Manoj Khattar
Director
DIN: 00694981

A. K. Gadhok
Director
DIN: 01254410

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	Equity Capital (Rs)
a) Equity share Capital	10	
Balance as at 1st April, 2016		49,990,200
Change in Equity Share Capital during the year 2016-17		-
Balance as at 31st March, 2017		49,990,200
Change in Equity Share Capital during the year 2017-18		-
Balance as at 31st March, 2018		49,990,200
<hr/>		
Particulars	Note No.	Retained Earning (Rs)
b) Other Equity	11	
As at 1st April, 2016		(7,050,354)
Profit/(Loss) for the year 2016-17		(1,053,764)
Other comprehensive income for the year		-
As at 31st March, 2017		(8,104,118)
Profit/(Loss) for the year 2017-18		(898,581)
Other comprehensive income for the year		(32,504)
Balance as at 31st March, 2018		<u>(9,035,203)</u>

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. 014869N

For and on behalf of the Board

S. K. Poddar
Partner
Mem.No. 094479
New Delhi, 29th May, 2018

Manoj Khattar
Director
DIN: 00694981

A. K. Gadhok
Director
DIN: 01254410

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Exception Items	(1,300,451)	(1,361,376)
Adjusted for:		
Depreciation and Amortisation Expenses	36,787	43,244
Rental income	(101,314)	(101,206)
Share of loss from firm	-	141,909
Operating profit before working capital changes	(1,364,978)	(1,277,429)
Movements In Working Capital:		
Increase/ (Decrease) in Other Financial Liabilities	125,654	45,978
Increase/ (Decrease) in Provisions	14,211	(246,825)
Increase/ (Decrease) in Trade Payable	96,198	(12,261,128)
Decrease/ (Increase) in Other Current Assets	39,089	29,368
Decrease/ (Increase) in Inventories	-	16,857
Decrease/ (Increase) Trade Receivables	(129,591)	17,864,898
Decrease/ (Increase) in Current Loans	(91,693)	44,027
Cash Generated From Operations	(1,311,109)	4,215,746
Income Tax Paid (Net)	(60,000)	(3,321)
Net Cash (Used in)/ Generated From Operating Activities - (A)	(1,371,109)	<u>4,212,425</u>
B. Cash Flow From Investment Activities		
Proceeds From Sale of Investments	-	50,000
Rental Income	101,314	101,206
Share of Loss from Firm	-	(141,909)
Net Cash from/ (Used in) Investing Activities - (B)	101,314	<u>9,297</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)	(1,269,795)	<u>4,221,722</u>
Cash and Cash Equivalents - Opening Balance	5,643,599	<u>1,421,876</u>
Cash and Cash Equivalents - Closing Balance	4,324,096	<u>5,643,599</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. 014869N

For and on behalf of the Board

S. K. Poddar
 Partner
 Mem.No. 094479
 New Delhi, 29th May, 2018

Manoj Khattar
 Director
 DIN: 00694981

A. K. Gadhok
 Director
 DIN: 01254410

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1A SIGNIFICANT ACCOUNTING POLICIES

1A-1 Corporate Information

Bhartiya Global Marketing Ltd. ('the Company'), promoted by Bhartiya International Ltd. 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.

1A-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 for the Year Ended 31st March, 2018 are the first financial statement, the Company has prepared under Ind AS. For all periods upto and including the Year Ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the Year Ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative period information.

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, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. 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.

1A-3 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.

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e. 1st April,2016

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.

1A-4 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 .

1A-5 Investment in Subsidiaries

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and joint ventures at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April,2016.

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

NOTES (CONTD.)

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.

1A-6 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.

1A-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.

1A-8 Revenue Recognition

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the amount of revenue can be measured reliably. The Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales.

1A-9 Interest Income

Interest income on fixed deposits with banks is recognized/accounted on accrual basis.

1A-10 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.

NOTES (CONTD.)**1A-11 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.

1A-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.

1A-13 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.

1A-14 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).

NOTES (CONTD.)**De-Recognition**

The Company de-recognises 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 Over Draft.

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 de-recognised 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.

De-Recognition

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

1. PROPERTY, PLANT AND EQUIPMENT	Amount in Rs.				
	Particulars	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment
Gross Carrying Amount					
Cost as at 1st April,2016	80,626	246,678	25,262	20,650	373,216
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March,2017	80,626	246,678	25,262	20,650	373,216
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March,2018	80626	246678	25262	20650	373,216
Accumulated Depreciation					
Balance as at 1 st April,2016	-	-	-	-	-
Addition	-	35,491	7,753	-	43,244
Disposal	-	-	-	-	-
Balance as at 31st March,2017	-	35,491	7,753	-	43,244
Addition	-	35,491	1,296	-	36,787
Disposal	-	-	-	-	-
Balance as at 31st March,2018	-	-	-	-	80,031
Net Carrying Amount					
Balance as at 1st April,2016	80,626	246,678	25,262	20,650	373,216
Balance as at 31st March,2017	80,626	211,187	17,509	20,650	329,972
Balance as at 31st March,2018	80,626	246,678	25,262	20,650	293,185

NOTES (CONTD.)

- 1.1 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of property, plant and equipment as per GAAP is mentioned below :-

Particulars	Amount in Rs.				
	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount					
Cost as at 1st April,2016	1,612,525	573,468	324,264	412,986	2,923,243
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March,2017	1,612,525	573,468	324,264	412,986	2,923,243
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March,2018	1,612,525	573,468	324,264	412,986	2,923,243
Accumulated Depreciation					
Balance as at 1 st April,2016	1,531,899	326,790	299,002	392,336	2,550,027
Addition	-	35,491	7,753	-	43,244
Disposal	-	-	-	-	-
Balance as at 31st March,2017	1,531,899	362,281	306,755	392,336	2,593,271
Addition	-	35,491	1,296	-	36,787
Disposal	-	-	-	-	-
Balance as at 31st March,2018	1,531,899	397,772	308,051	392,336	2,630,058
Net Carrying Amount					
Balance as at 1 st April,2016	80,626	246,678	25,262	20,650	373,216
Balance as at 31st March,2017	80,626	211,187	17,509	20,650	329,972
Balance as at 31st March,2018	80,626	175,696	16,213	20,650	293,185

2 INVESTMENT PROPERTY

Particulars	Land
Gross Carrying Amount	
Cost as at 1st April,2016	492,800
Addition	-
Disposal	-
Balance as at 31st March,2017	492,800
Addition	-
Disposal	-
Balance as at 31st March,2018	492,800
Accumulated Depreciation	
Balance as at 1 st April,2016	-
Addition	-
Disposal	-
Balance as at 31st March,2017	-
Addition	-
Disposal	-
Balance as at 31st March,2018	-
Net Carrying Amount	
Balance as at 1 st April,2016	492,800
Balance as at 31st March,2017	492,800
Balance as at 31st March,2018	492,800
Fair Value*	
As at 1 st April,2016	69,850,000
As at 31st March,2017	69,850,000
As at 31st March,2018	69,850,000

NOTES (CONTD.)

Particulars	Amount in Rs.	
	Year Ended 31st March,2018	Year Ended 31st March,2017
Rental income derived from investment properties	100,000	100,000
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Income arising from Investment Properties before Depreciation	100,000	100,000
Depreciation	-	-
Income from Investment Properties (Net)	100,000	100,000

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 on 4th July 2014. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

3 INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

Particulars	As at	As at	As at
	31st March,2018	31st March,2017	1st April,2016
	Amount	Amount	Amount
A INVESTMENTS IN SUBSIDIARIES			
i. Equity Instrument at Cost (Unquoted)			
1 Investment in J & J Leather Enterprises Ltd, 207,500 Equity Shares (Previous Year 2,07,500 shares) of Rs.100 each,fully paid	32,267,500	32,267,500	32,267,500
2 Capital in Firm - Bhartiya Prakash Leathers	-	-	50,000
	<u>32,267,500</u>	<u>32,267,500</u>	<u>32,317,500</u>
Aggregate amount of unquoted Investments before impairment	32,267,500	32,267,500	32,317,500
Less: Provision for diminution in value of investment	-	-	-
Aggregate amount of unquoted Investments after impairment	32,267,500	32,267,500	32,317,500
4 NON-CURRENT LOAN (Unsecured & Considered Good)			
(a) Security and Other Deposits	21,000	21,000	21,000
TOTAL	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>
5 INVENTORIES			
(a) Finished Goods	151,710	151,710	168,567
TOTAL	<u>151,710</u>	<u>151,710</u>	<u>168,567</u>
6 TRADE RECEIVABLES (Unsecured, Considered Good)			
(a) Trade Receivable	-	2,831,979	20,696,877
(b) Receivable from Related Parties	3,501,570	540,000	540,000
TOTAL	<u>3,501,570</u>	<u>3,371,979</u>	<u>21,236,877</u>
7 CASH AND CASH EQUIVALENT			
a) Balances with Banks In Current Accounts	4,314,035	5,520,086	1,341,353
b) Cash on Hand	10,061	123,513	80,523
TOTAL	<u>4,324,096</u>	<u>5,643,599</u>	<u>1,421,876</u>

NOTES (CONTD.)

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
8 CURRENT LOAN			
(Unsecured & Considered Good)			
(a) Loan to Employee	<u>224,268</u>	<u>132,575</u>	<u>176,602</u>
TOTAL	<u>224,268</u>	<u>132,575</u>	<u>176,602</u>
9 OTHER CURRENT ASSETS			
a) Prepaid Expenses	1,933	41,022	67,890
b) Advance Income Tax / TDS Receivable	123,321	63,321	96,426
c) Other Advances	2,900	2,900	5,400
d) Mat Credit Entitlement	<u>1,434,524</u>	<u>1,434,524</u>	<u>1,434,524</u>
TOTAL	<u>1,562,678</u>	<u>1,541,767</u>	<u>1,604,240</u>
10 SHARE CAPITAL			
Authorised Share Capital			
a) 50,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10/- each	<u>50,000,000</u>	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed & Paid up :			
a) 49,99,020 (Previous Year 49,99,020) Equity Shares of Rs.10/- each, Fully Paid Up	<u>49,990,200</u>	49,990,200	49,990,200
Total	<u>49,990,200</u>	<u>49,990,200</u>	<u>49,990,200</u>

10.1 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at		As at	
	31st March, 2018 No. of Shares	31st March, 2018 Amount (Rs.)	31st March, 2017 No. of Shares	31st March, 2017 Amount (Rs.)
Shares outstanding at the beginning of the year	4,999,020	49,990,200	4,999,020	49,990,200
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>4,999,020</u>	<u>49,990,200</u>	<u>4,999,020</u>	<u>49,990,200</u>

10.2 The details of Shareholders holding more than 5% shares

Name of the Shareholders	As at		As at		As at	
	31st Mar, 2018 No. of Shares	31st Mar, 2018 % of Holding	31st Mar, 2017 No. of Shares	31st Mar, 2017 % of Holding	1st April, 2016 No. of Shares	1st April, 2016 % of Holding
(a) Bhartiya international Ltd.	<u>4,999,020</u>	<u>100.00</u>	4,999,020	100.00	4,999,020	100.00

10.3 Shares held By holding company and subsidiaries of holding company in aggregate

Particulars	As at		As at	
	31st March, 2018 No. of Shares	31st March, 2017 No. of Shares	31st March, 2017 No. of Shares	1st April, 2016 No. of Shares
(a) 4,999,020(31st March, 2017: 4,999,020, 1st April, 2016:4,999,020) shares held by holding company, Bhartiya International Ltd.	<u>4,999,020</u>	4,999,020	4,999,020	4,999,020

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. 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.

NOTES (CONTD.)

11 OTHER EQUITY		Amount in Rs.	
Particulars	Retained Earning	Total	
Balance as at 1st April 2016	(7,050,354)	(7,050,354)	
Profit for the year	(1,053,764)	(1,053,764)	
Other Comprehensive Income for the year	-	-	
Balance as at 31st March, 2017	(8,104,118)	(8,104,118)	
Profit for the Year	(898,581)	(898,581)	
Other Comprehensive Income for the year	(32,504)	(32,504)	
Balance as at 31st March,2018	(9,035,203)	(9,035,203)	
12 OTHER NON-CURRENT FINANCIAL LIABILITIES			
Particulars	As at 31st March,2018	As at 31st March, 2017	As at 31st March, 2016
(a) Security Deposit with Related Parties	15,918	14,605	13,399
TOTAL	15,918	14,605	13,399
13 NON-CURRENT PROVISION			
(a) Provision for Employees Benefit	124,234	31,546	382,558
TOTAL	124,234	31,546	382,558
14 OTHER NON-CURRENT LIABILITIES			
(a) Advance Lease Rent	482,649	484,081	485,395
TOTAL	482,649	484,081	485,395
15 TRADE PAYABLE			
(a) Payable	2,718,801	2,622,603	14,883,731
TOTAL	2,718,801	2,622,603	14,883,731
15.1 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.			
16 OTHER CURRENT FINANCIAL LIABILITIES			
(a) Due to Employee	119,398	104,920	149,229
(b) Expenses Payable	63,672	47,091	43,270
(c) Statutory Dues Payable	112,262	17,667	23,110
(d) Other Payable	160,123	160,123	68,214
(e) Advance Lease Rent	1,433	1,314	1,206
TOTAL	456,888	331,115	285,029
17 PROVISIONS			
(a) Provision for Employees Benefits	157,817	236,294	132,107
TOTAL	157,817	236,294	132,107

NOTES (CONTD.)

18 REVENUE FROM OPERATIONS	Amount in Rs.	
Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Sales of Products		
(a) Sales	2,831,670	12,321,980
TOTAL	<u>2,831,670</u>	<u>12,321,980</u>
19 OTHER INCOME		
a) Interest Income on Fixed Deposit	-	33,207
b) Share of Profit from Firm	-	(141,909)
c) Gain on Foreign Currency Transaction	(46,924)	90,078
d) Rental Income	101,314	101,206
e) Services Charges	600,000	600,000
f) Other Income	-	1,043,870
TOTAL	<u>654,390</u>	<u>1,726,452</u>
20 CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	151,710	168,567
(b) Closing Stock	151,710	151,710
Decrease/(Increase)	<u>-</u>	<u>16,857</u>
21 EMPLOYEE BENEFIT EXPENSES		
(a) Salary & Allowances	1,520,312	2,771,250
(b) Contribution to Provident & Other Fund	178,695	137,269
(c) Staff Welfare Expenses	9,397	4,533
TOTAL	<u>1,708,404</u>	<u>2,913,052</u>
22 DEPRECIATION AND AMORTISATION		
(a) Depreciation on Property Plant and Equipment	36,787	43,244
TOTAL	<u>36,787</u>	<u>43,244</u>
23 OTHER EXPENSES		
(a) Professional Charges	125,625	88,148
(b) Power & Fuel	112,350	81,550
(c) Bank Charges	703	18,528
(d) Auditors Remuneration	40,000	40,000
(e) Rates & Taxes	14,012	13,064
(f) Insurance	442	68,002
(g) General Expenses	50,667	36,013
(h) Bad Debts	-	780,657
TOTAL	<u>343,799</u>	<u>1,125,962</u>
24 TAX EXPENSES		
I) Current Tax		
(a) Current Tax on Taxable Income for the Year	-	36,426
II) Deferred Tax		
(a) Related To Capital Assets Relating to origination and reversal of temporary differences	(401,870)	(344,038)
	<u>(401,870)</u>	<u>(307,612)</u>
Effective Income Tax Rate	30.90%	22.60%

NOTES (CONTD.)

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
24.1 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	(1,300,451)	(1,361,376)
Statutory Income Tax Rate	30.90%	30.90%
Computed Tax Expenses	(401,870)	(420,665)
Tax In Respect of Earlier Years	-	36,426
Non-Deductible Expenses For Tax Purpose		76,627
Income Tax Charge to Statement of Profit and Loss Account	(401,870)	(307,612)
24.2 Deferred Tax Assets /(Liabilities)		
Opening Balance	1,653,424	1,309,387
Add: Difference in books value and written down value as per Income Tax	(1,130)	(19,100)
Add: Effect of Taxable Business Loss	420,203	363,137
Closing Balance	2,072,497	1,653,424

25 FIRST-TIME ADOPTION OF IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

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

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

i) Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

ii) Investments in Subsidiaries and Associates

The Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

25.1 The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

25.2 Reconciliation of Balance Sheet as at 1st April, 2016

Particulars	Note No.	Regrouped Previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
I ASSETS				
1 Non - Current Assets				
(a) Property, Plant and Equipment	c	866,016	492,800	373,216
(b) Investment Property	c	-	(492,800)	492,800
(c) Investments In Subsidiaries, Associate, and Joint Venture		32,317,500	-	32,317,500
(d) Financial Assets		-	-	-

NOTES (CONTD.)

Amount in Rs.				
Particulars	Note No.	Regrouped Previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
(i) Loans		21,000		21,000
(e) Deferred Tax Assets (Net)		1,309,387		1,309,387
2 Current Assets				
(a) Inventories		168,567		168,567
(b) Financial Assets				
(i) Trade Receivables		21,236,877		21,236,877
(ii) Cash and Cash Equivalents		1,421,876		1,421,876
(iii) Loans		176,602		176,602
(c) Current Tax Assets (Net)				-
(d) Other Current Assets	a	1,800,240	(196,000)	1,604,240
Total Assets		<u>59,318,065</u>	<u>(196,000)</u>	<u>59,122,065</u>
II Equity and Liabilities				
1 Equity				
(a) Equity Share Capital		49,990,200		49,990,200
(b) Other Equity	a	(6,854,354)	(196,000)	(7,050,354)
2 Liabilities				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Other Financial Liabilities	b	500,000	(486,601)	13,399
(b) Provisions		382,558	-	382,558
(c) Other Non-Current Liabilities	b	-	485,395	485,395
3 Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables		14,883,731		14,883,731
(ii) Other Financial Liabilities	b	283,823	1,206	285,029
(b) Provisions		132,107	-	132,107
(c) Current Tax Liabilities (Net)				-
Total of Equity and Liabilities		<u>59,318,065</u>	<u>(196,000)</u>	<u>59,122,066</u>

25.3 Reconciliation of Balance Sheet as at 31st March, 2017

Particulars	Note No.	Regrouped Previous GAAP	IND AS IMPACT	As per Ind AS as at 31st March, 2017
I ASSETS				
1 Non - Current Assets				
(a) Property, Plant and Equipment	c	822,772	492,800	329,972
(b) Investment Property	c		(492,800)	492,800
(c) Investments in Subsidiaries, Associate, and Joint Venture		32,267,500		32,267,500
(d) Financial Assets				
(i) Loans		21,000		21,000
(e) Deferred Tax Assets (Net)		1,653,424		1,653,424
2 Current Assets				
(a) Inventories		151,710		151,710
(b) Financial Assets				
(i) Trade Receivables		3,371,979		3,371,979
(ii) Cash and Cash Equivalents		5,643,599		5,643,599
(iii) Loans		132,575	-	132,575
(c) Current Tax Assets (Net)				-
(d) Other Current Assets	a	1,706,767	(165,000)	1,541,767
Total Assets		<u>45,771,326</u>	<u>(165,000)</u>	<u>45,606,326</u>

NOTES (CONTD.)

Particulars	Note No.	Regrouped Previous GAAP	IND AS IMPACT	Amount in Rs.
				As per Ind AS as at 31st March, 2017
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		49,990,200		49,990,200
(b) Other Equity	a	(7,939,117)	(165,000)	(8,104,118)
2 Liabilities				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables				
(ii) Other Financial Liabilities	b	500,000	(485,395)	14,605
(b) Provisions		31,546	-	31,546
(c) Other Non-Current Liabilities	b	-	484,081	484,081
3 Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables		2,622,603		2,622,603
(ii) Other Financial Liabilities	b	329,801	1,313	331,115
(b) Provisions		236,294		236,294
(c) Current Tax Liabilities (Net)				-
Total of Equity and Liabilities		<u>45,771,326</u>	<u>(165,000)</u>	<u>45,606,326</u>

25.4 Reconciliation of Statement of Profit and Loss for the Year Ended 31st March,2017

Particulars	Note No.	Year Ended 31st March, 2017	IND AS IMPACT	Year Ended 31st March, 2017
Income				
Revenue from Operations		12,321,980	-	12,321,980
Other Income	b	1,725,246	1,206	1,726,452
Total Income		<u>14,047,226</u>	<u>1,206</u>	<u>14,048,432</u>
Expenses				
Purchase of Stock In trade		11,310,692	-	11,310,692
Change in Inventories of Finished Goods		16,857		16,857
Employee Benefits Expense		2,913,052	-	2,913,052
Depreciation and Amortisation Expense	a	74,244	(31,000)	43,244
Other expenses	b	1,124,756	1,206	1,125,962
Total Expenses		<u>15,439,601</u>	<u>(29,794)</u>	<u>15,409,807</u>
Profit/ (Loss) before Tax		(1,392,375)		(1,361,376)
Tax expenses				
i Current Tax		36,426		36,426
ii Deferred Tax		(344,038)		(344,038)
Profit / (Loss) for the year		<u>(1,084,763)</u>	<u>31,000</u>	<u>(1,053,764)</u>
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the Year		<u>(1,084,763)</u>	<u>31,000</u>	<u>(1,053,764)</u>

NOTES (CONTD.)

Amount in Rs.

25.5 Notes to the Reconciliation

Particulars	Impact	As at 1st April, 2016	As at 31st March, 2017
a) Impact of unamortised Preliminary Expenses considered as Operating Expenses			
On Balance Sheet			
Other Current Assets	Decrease	(196,000)	(165,000)
Other Equity	Decrease	(196,000)	(165,000)
On Statement of Profit and Loss			
Depreciation and Amortisation Expense	Decrease	-	(31,000)
b) Impact of Security Deposit recognised at Discounted Value			
On Balance Sheet			
Other Financial Liabilities (Non-Current)	Decrease	(486,601)	(485,395)
Other Non-Current Liabilities	Increase	485,396	484,081
Other Financial Liabilities (Current)	Increase	1,206	1,313
On Statement of Profit and Loss			
Other Income	Increase		1,206
Other Expenses	Increase		1,206
c) Property given under lease were re-classified from property, plant and equipment to investment property			
Property, Plant and Equipment	Decrease	(492,800)	(492,800)
Investment Property	Increase	492,800	492,800

26. CONTINGENT LIABILITIES NOT PROVIDED FOR

- a. Corporate Guarantee given by Company to a bank against facilities granted by that bank to its Holding Company Bhartiya International Ltd. Rs.24 Crores (Previous Year Rs. 24 Crores).
- b. Land and Building at Chennai of Rs. 4,92,800 (Previous Year Rs. 4,92,800) is pledged with the bank for various limits and facilities granted to its holding company.
- 26.1 Investment include 600 equity shares of the value of Rs.72,120/- in J & J Leather Enterprises Ltd. held in the name of six nominees of the company.

26.2 Details of Loans Given, Investments Made and Guarantee Given.

Particulars	As at 31st March, 2018	Maximum Balance during the year
(1) Corporate Guarantee given by company to a bank for facility granted by that bank to its Holding Company Bhartiya International Ltd.	240,000,000 (240,000,000)	240,000,000 (345,000,000)

NOTES (CONTD.)

26.3 Related Party Disclosures as per Ind AS 24 :-

- i) **Holding Company:**
Bhartiya International Ltd.
- ii) **Subsidiary Company :**
J&J Leather Enterprises Ltd.
- iii) **Fellow Subsidiary**
Design Industry Ltd.
Ultima S A
- iv) **Key Management Personnel:**
Directors
Manoj Khattar
Jaspal Sethi
Ramesh Bhatia

v) **Transactions during the year with related parties**

Particulars	Amount in Rs.	
	2017-18	2016-17
1 Lease Rent Received		
Bhartiya International Ltd.	100,000	100,000
2 Consultancy Received		
J & J Leather Enterprises Ltd.	600,000	600,000
3 Sales		
Design industry Ltd.	2,831,670	-
4 Purchase		
Ultima S A	2,697,521	-

vi) **Balances Outstanding at the Year End:**

1 Trade Receivable		
Design Industry Ltd.	2,853,570	-
J & J Leather Enterprises Ltd.	648,000	540,000
2 Trade Payable		
Ultima S. A.	2,697,521	-
3 Security Deposit Received		
Bhartiya International Ltd.	500,000	500,000

26.4 Earning Per Share (EPS)

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
a) Net Profit/(Loss) for the Year	(931,085)	(1,053,764)
b) Weighted Average Shares Outstanding during the year	4,999,020	4,999,020
c) Basic/Diluted earnings per share	(0.19)	(0.21)

26.5 Auditor's Remuneration

Audit Fees	46,000	40,000
Tax & Consultancy	15,000	15,000

NOTES (CONTD.)

26.6 Employee Benefits Plans

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

a) Defined Contribution Plans

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	74,154	133,191
b) Employees State Insurance Corporation	11,215	4,096

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, 2018
Discount Rate	7.50%
Salary Increase Rate	10.00%
In Service Mortality	IALM (2006-08)

ii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Year Ended 31st March, 2018
Current Services Cost	42,981
Components to Defined Benefit Costs Recognised in Profit or Loss	42,981
Remeasurement on the net defined benefit liability:	-
Actuarial (Gains)/ Losses on Obligation for the Year	49,707
Net (Income)/Expenses for the Year Ended Recognized in OCI	49,707

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	479,954
Fair Vale of Plan Asset	355,720
Net Liability arising from Defined Benefit Obligation	124,234

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

Opening Defined Obligation	387,266
Current Service Cost	42,981
Actuarial (Gains)/ Losses	49,707
Closing Defined Benefit Obligation	479,954

v) Movements in the fair value of the plan assets are as follows:

Opening Fair Value of Plan Assets *	355,720
Interest Income	
Contribution by the Employee	
Return on Plan Assets Excluding Interest Income	-
Closing Fair Value of Plan Assets	355,720

* Fund Managed by the Approved Insurance Company

NOTES (CONTD.)

Particulars	Amount in Rs.	
	Gratuity	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Investment	75.39%	75.39%

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2018 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	421,419	549,451
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	547,067	422,160

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

26.7 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, 2018	As at 31st March, 2017
Not later than one year	100,000	1,300,000
Later than one year and not later than five years	400,000	400,000
Later than five years	3,500,000	3,600,000

26.8 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.)

Particulars	Amount in Rs.			
	As at 31st March, 2018			
	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	3,501,570	-	-	3,501,570
Cash & Cash Equivalents	4,324,096	-	-	4,324,096
Loan	245,268	-	-	245,268
Financial Liabilities				
At Amortised Cost				
Trade Payables	2,718,801	-	-	2,718,801
Other Financial Liabilities	472,806	-	-	472,806
Particulars	As at 31st March,2017			
	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	3,371,979	-	-	3,371,979
Cash & Cash Equivalents	5,643,599	-	-	5,643,599
Loan	153,575	-	-	153,575
Financial Liabilities				
At Amortised Cost				
Trade Payables	2,622,603	-	-	2,622,603
Other Financial Liabilities	345,720	-	-	345,720
Particulars	As at 1st April,2016			
	Carrying Amount	Level of Input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	21,236,877	-	-	21,236,877
Cash & Cash Equivalents	1,421,876	-	-	1,421,876
Loan	197,602	-	-	197,602
Financial Liabilities				
At Amortised Cost				
Trade Payables	14,883,731	-	-	14,883,731
Other Financial Liabilities	298,427	-	-	298,427

26.9 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.

27. 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.

NOTES (CONTD.)

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	As at
	31st March, 2018	31st March, 2017
Less than 6 month	3,501,570	3,371,979
More than 6 month	-	-

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

Particulars	As at 31st March, 2018			
	0-1 year	1-5 year	Beyond 5 year	Total
Trade Payable	2,718,801	-	-	2,718,801
Other Current Liabilities	456,888	-	-	456,888

Particulars	As at 31st March,2017			
	0-1 year	1-5 year	Beyond 5 year	Total
Trade Payable	2,622,603	-	-	2,622,603
Other Current Liabilities	331,115	-	-	331,115

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. Market risk exposures are measured using sensitivity analysis.

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,2018		As at 31st March,2017	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	43,800	41,725	-	-
EURO	-	-	39,756	36,838

NOTES (CONTD.)**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,2018		As at 31st March,2017	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets		NA		
USD	142,678	(142,678)	-	-
EURO	-	-	141598	(141,598)
Foreign Currency Monetary Liabilities				
USD	(135,940)	135,940	-	-
EURO	-	-	(131,130)	131,130
Impact on profit or loss as at the end of reporting year	6,738	(6,738)	272,728	(272,728)

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.

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014869N

For and on behalf of the Board

S. K. Poddar

Partner

Mem.No. 094479

New Delhi, 29th May, 2018

Manoj Khattar

Director

DIN: 00694981

A. K. Gadhok

Director

DIN: 01254410

NOTES (CONTD.) of

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	Profit / Loss before Taxation	Provision for Taxation	Profit / Loss after Taxation	% of Share holding
J&J Leather Enterprises Ltd.	31 st March, 2018	Indian Rupees	2,07,50,000	2,85,47,405	9,89,13,482	4,96,16,077	-	13,86,89,406	41,37,640	17,38,723	23,98,917	100.00

DIRECTORS' 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, 2018.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2018 are as follows:

(Rs. in Lacs)

Sl. No.	Particulars	2017-18	2016-17
1.	Net Sales /Income from Operations	1386.89	1231.62
2.	Other Income	23.44	15.20
3.	Total Expenses	1368.96	1189.97
4.	Tax Expense	17.39	15.17
5.	Profit / (Loss) for the year after Tax	23.99	41.69

PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

During the year under review Company achieved a turnover of Rs. 1386.89 lacs as against Rs. 1231.62 lacs in the previous year. The net profit for the year was reported at Rs. 23.99 lacs.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2018.

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.

EXTRACT OF ANNUAL RETURN

The details forming part of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, forms an integral part of this Report. The same is provided herewith as **Annexure A**.

DIRECTORS

The Board of Directors comprises of Mr. Amrishpal Singh, Mr. Manoj Khattar and Mr. C. L. Handa 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), Managing 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 2017-18, Four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2017-18 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Amrishpal Singh	Mr. Manoj Khattar	Mr. C. L. Handa
26.05.2017	Present	Present	Present
06.09.2017	Present	Present	Present
30.11.2017	Absent	Present	Present
22.02.2018	Present	Present	Present

REMUNERATION COMMITTEE

The Board of Directors have comprised one Committee – Remuneration Committee. The Committee comprises of Mr. Manoj Khattar and Mr. C. L. Handa as members. During the year, no meetings of the Committee were held.

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

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 related party transactions is provided in the Form AOC-2 enclosed as **Annexure B**.

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, 2018, 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, 2018 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 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 26th Annual General Meeting upto 31st Annual General Meeting. Your directors have recommended their ratification in the ensuing Annual General Meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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

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.

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 2017-18, the Company had 93 Employees.

None of the Employees were in receipt of remuneration of Rs.60 lac per annum or more and none of the employees employed for the part of the financial year 2018 were in receipt of Rs. 5 lac 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**

The information on foreign exchange earnings and outgo, if any, are contained in notes to the accounts.

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, 2018 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, 26th May, 2018

ANNEXURE-A
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN : U18209TN1991PLC020874
Registration Date : 29/05/1991
Name of the Company : J& J Leather Enterprises Ltd.
Category Sub-Category of Company : Public Limited Company
Address of the Regd. Office and contact details : 56/7, Nallambakkam Village, (Via Vandalur),
Chennai, Tamil Nadu-600048
Whether listed company : No
Name, Address and Contact details
of Registrar and Transfer Agent,
if any : N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 100% or more of the total turnover of the company shall be stated:-

S. N.	Name and Description of Main Products/ Services	NIC Code of the Product/ service	% to total turnover of the company
1	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur	1511	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya Global Marketing Ltd. E-52, New Manglapuri, Mandi Road, Mehrauli, New Delhi-110030	U74899DL1996PLC075128	Holding	100	2(46)
2	Bhartiya International Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai – 600 048	L74899TN1987PLC111744	Ultimate Holding	100	2(46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter(s)									
Indian									
i. Individual/HUF	-	-	-	-	-	-	-	-	-
ii. Central Govt.	-	-	-	-	-	-	-	-	-
iii. State Govt.(s)	-	-	-	-	-	-	-	-	-
iv. Bodies Corp.	-	207,500	207,500	100	-	207,500	207,500	100	-
v. Banks/FIs	-	-	-	-	-	-	-	-	-
vi. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)		207,500	207,500	100	-	207,500	207,500	100	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign									
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. Other	-	-	-	-	-	-	-	-	-
c. Individuals	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	-	-	-	-	-	-	-	-
e. Banks / FIIS	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total A (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	207,500	207,500	100	-	207,500	207,500	100	-
Public Shareholding Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-
Non-Institutions									
a. Bodies Corp.	-	-	-	-	-	-	-	-	-
b. Indian	-	-	-	-	-	-	-	-	-
c. Overseas	-	-	-	-	-	-	-	-	-
d. Individuals	-	-	-	-	-	-	-	-	-
e. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
f. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
g. Others	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	207,500	207,500	100	-	207,500	207,500	100	-

(ii) Shareholding of Promoters

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share- holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Bhartiya Global Marketing Ltd.	207,500	100	-	207,500	100	-	-
	TOTAL	207,500	100	-	207,500	100	-	-

(iii) Change in Promoters' Shareholding please specify, if there is no change

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
No Change					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	No such shareholders	NIL			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/ sweat equity etc):				
	At the End of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	No such shareholders	NIL			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/ sweat equity etc):				
	At the End of the year				

V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	26,662,000	-	-	26,662,000
* Reduction	360,992	-	-	360,992
Net Change	26,301,008	-	-	26,301,008
Indebtedness at the end of the financial year				
i) Principal Amount	2,63,01,008	-	-	2,63,01,008
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,63,01,008	-	-	2,63,01,008

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs.)
		Mr. Amrishpal Singh	
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) of Income-tax Act, 1961 c. Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	300,000	300,000
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	300,000	300,000
	Ceiling as per the Act	Ceiling as per the Act @ 10% of profits calculated under Section 198 of the Companies Act, 2013)	

B. Remuneration to other Directors:

S.N.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
1.	Independent Directors Fee for attending board committee meetings Commission Others, please specify		
	Total (1)		
2.	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify		
	Total (2)	- NIL -	
	Overall Ceiling as per the Act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

S.N.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross Salary a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b. Value of perquisites u/s 17(2) of Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) of Income-tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission as % of profit others, specify...			
5.	Others, please specify			
	Total	- NIL -		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

**ANNEXURE B -
FORM NO. AOC.2**

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

S. No.	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 advances, if any:
1	Bhartiya International Ltd.	Job Work	Ongoing basis	Rs. 138,664,974/-	-

INDEPENDENT AUDITORS' REPORT

To
The Members of
J & J LEATHER ENTERPRISES LTD.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of J & J Leather Enterprises Ltd. ("the Company"), which comprise the Balance Sheet as at March 31st, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 of these financial statements that give a true and fair view of the state of affairs (financial position), Profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS of the state of affairs (financial position) of the Company as at 31st March, 2018 and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure 'A' statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our 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.

For **Padmanabhan Ramani & Ramanujam**
Chartered Accountants
Firm Registration No: 002510S

N. Ramani
Partner
Mem. No. 022438

Chennai, 26th May, 2018

ANNEXURE-A TO THE AUDITORS' REPORT

Referred to in paragraph 1 under section titled 'Report on other legal and regulatory requirements' of our report of even date.

1.
 - a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the fixed assets have been physically verified by the management according to a regular program which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No discrepancies with respect to book records were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
2. The company does not have any inventory and as such requirement of the clause are not applicable to the company.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the covered by section 2(76) of the Companies Act, 2013.
4. The company has not entered into any transactions in respect of any loans to director, investments, guarantees and security and hence sections 185 and 186 of the Companies Act 2013 are not applicable.

5. The company has not accepted any deposit from the public within the provisions of Section 73 to 76 of The Companies Act 2013.
6. In our opinion and according to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
7. a) The company is regular in depositing undisputed statutory dues wherever applicable including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales-tax, Wealth Tax, Service tax Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
b) There are no disputed sales tax/income tax/custom tax/wealth tax/service tax/excise duty/cess.
8. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
9. There were no moneys raised by way of initial public offer(IPO) or further public offer (including debt instruments). Further no fresh term loans were obtained during the current year.
10. According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.
11. Managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies act 2013.
12. The Company is not a Nidhi company and hence the requirements related to compliance with the Net Owned funds to Deposits Ratio are not applicable.
13. All the transactions with Related parties are in compliance with Section 177 and 188of the Companies Act 2013, and the details have been disclosed in the Financial statements, as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him and hence the provisions of Section 192 are not applicable.
16. The company is not required to be registered under section 45-IA of the Reserve bank of India act, 1934.

For **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 26th May, 2018

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 J & J Leather Enterprises Ltd. ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

N. Ramani

Partner

Mem. No. 022438

Chennai, 26th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

PARTICULARS	Note No.	Amount in Rs.		
		As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
I ASSETS				
1 Non - Current Assets				
(a) Property, Plant and Equipment	2	71,939,489	43,967,080	46,131,720
(b) Capital Work-In-Progress	2.1	496,261	3,067,873	-
(c) Intangible Assets	3	1,009,357	29,425	23,856
(d) Financial Assets				
(i) Loans	4	6,276,169	6,037,051	5,769,380
(e) Deferred Tax Assets (Net)		52,466	960,449	1,371,868
2 Current Assets				
(a) Inventories	5	209,720	212,472	242,523
(b) Financial Assets				
(i) Trade receivables	6	396,960	24,054	16,719
(ii) Cash and Cash equivalents	7	1,410,981	751,699	932,909
(iii) Loans	8	120,000	406,000	196,000
(iv) Others Financial Assets	9	8,732,945	7,345,000	4,655,723
(c) Current Tax Assets (Net)		-	-	-
(d) Other Current Assets	10	8,269,134	3,297,840	2,715,146
Total Assets		98,913,482	66,098,943	62,055,844
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	11	20,750,000	20,750,000	20,750,000
(b) Other Equity	12	28,547,405	26,385,392	22,434,987
2 Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	21,076,704	-	122,210
(b) Provisions	14	4,016,041	2,901,461	2,155,523
(c) Deferred Tax Liabilities (Net)				
3 Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	15	5,969,150	5,182,496	4,316,157
(ii) Other financial Liabilities	16	9,185,460	3,095,451	2,746,225
(b) Provisions	17	2,089,181	1,236,014	664,345
(c) Other Current Liabilities (Net)	18	6,491,111	6,548,129	8,866,397
(d) Current Tax Liabilities (Net)		788,430	-	-
Total of Equity and Liabilities		98,913,482	66,098,943	62,055,844
Significant Accounting Policies	1			
The accompanying notes are an integral part of the financial statements				

As per our report of even date attached
For Padmanabhan Ramani & Ramanujan
Chartered Accountants
Firm Registration No. 002510S

For and on behalf of the Board

N. Ramani
Partner
Mem. No. 022438

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Chennai, 26th May, 2018

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

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Income			
Revenue from Operations	19	138,689,406	123,162,305
Other Income	20	2,344,000	1,520,413
Total Income		141,033,406	124,682,718
Expenses			
Cost of Material Consumed	21	5,394,058	4,884,855
Manufacturing & Operating Expenses	22	79,409,623	75,105,920
Employee Benefits Expense	23	27,794,961	16,783,638
Finance Costs	24	539,594	33,790
Depreciation and Amortisation Expense	25	4,809,296	4,053,593
Other Expenses	26	18,948,235	18,135,078
Total Expenses		136,895,766	118,996,874
Profit/ (Loss) before Tax		4,137,640	5,685,844
Tax Expenses	27		
i Current Tax -MAT		788,430	990,000
ii Deferred Tax		950,293	527,018
Profit / (Loss) for the Year		2,398,917	4,168,826
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
- Re-measurements of the defined benefit plans		(279,215)	(334,018)
- Income Tax relating to above Items		42,311	115,597
Total Comprehensive Income for the Year		2,162,013	3,950,405
Earnings per Equity Share of Face Value of Rs 10/- each			
Basic (in Rs.)		14.18	23.35
Diluted (in Rs.)		14.18	23.35

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

As per our report of even date attached
For Padmanabhan Ramani & Ramanujan
Chartered Accountants
Firm Registration No. 002510S

For and on behalf of the Board

N. Ramani
Partner
Mem. No. 022438

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Chennai, 26th May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Equity Capital Amount (Rs)
a) Equity Share Capital (Refer Note-11)	
Balance as at 1st April, 2016	20,750,000
Change in Equity Share Capital during the Year 2016-17	-
Balance as at 31st March, 2017	20,750,000
Change in Equity Share Capital during the Year 2017-18	-
Balance as at 31st March, 2018	20,750,000

Particulars	Securities Premium Reserve	Capital Reserve	Retained Earning	Total Other Equity Amount (Rs)
b) Other Equity (Refer Note -12)				
As at 1st April, 2016	8,992,500	4,621,283	8,821,204	22,434,987
Profit/(Loss) for the Year 2016-17			4,168,826	4,168,826
Other Comprehensive Income for the Year			(218,421)	(218,421)
As at 31st March, 2017	8,992,500	4,621,283	12,771,609	26,385,392
Profit/(Loss) for the year 2017-18			2,398,916	2,398,917
Other Comprehensive Income for the Year			(236,904)	(236,904)
Balance as at 31st March, 2018	8,992,500	4,621,283	14,933,622	28,547,405

As per our report of even date attached
For Padmanabhan Ramani & Ramanujan
Chartered Accountants
Firm Registration No. 002510S

For and on behalf of the Board

N. Ramani
Partner
Mem. No. 022438

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Chennai, 26th May, 2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per statement of Profit and loss	4,137,640	5,685,844
<i>Adjustment for :</i>		
Finance Cost	539,594	33,790
Depreciation and Amortisation Expenses	4,809,296	4,053,593
Rental Income	(1,200,000)	(1,200,000)
Operating profit/(loss) before working capital changes	8,286,530	8,573,227
<i>Movements in working capital:</i>		
Increase/ (decrease) in trade payables	786,655	866,339
Increase/ (decrease) in other financial liabilities	1,204,324	348,499
Increase/ (decrease) in other liabilities	(57,018)	(2,318,268)
Increase/ (decrease) in provisions	1,688,532	983,589
Decrease/ (increase) in inventories	2,752	30,051
Decrease/ (increase) trade receivables	(372,906)	(7,335)
Decrease/ (increase) in loan	46,882	(477,671)
Decrease/ (increase) in other current financial assets	(7,165,860)	(1,549,385)
Decrease/ (increase) in other current assets	556,454	(121,023)
Cash (used in) / generated from operations	(3,310,185)	(2,245,204)
Income tax paid (Net)	250,168	(2,591,564)
Net cash (used in)/ generated from operating activities - (A)	5,226,512	3,736,459
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(31,325,385)	(4,962,395)
Capital Advance/Capital Creditors (net)	(229,789)	229,789
Proceeds from Sale of Fixed Assets	135,359	-
Rental Income	1,200,000	1,200,000
Net Cash from/ (used in) Investing Activities - (B)	(30,219,815)	(3,532,606)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings (net)	26,192,178	(351,273)
Interest and Processing Fees Paid (net)	(539,594)	(33,790)
Net Cash from/ (used in) Financing Activities - (C)	25,652,584	(385,063)
Net Increase / (Decrease) in Cash and Cash Equivalents - (A+B+C)	659,282	(181,210)
Cash and Cash equivalents as at beginning of the year	216,750	932,909
Cash and Cash Equivalents as at the end of the year	876,031	751,699
Components of Cash and Cash Equivalents:		
Cash on Hand	356,028	216,750
Balances with Scheduled Banks:		
In current accounts	1,054,953	534,950
Cash and cash equivalents in cash flow statement	1,410,981	751,699

As per our report of even date attached
For Padmanabhan Ramani & Ramanujan
Chartered Accountants
Firm Registration No. 002510S

For and on behalf of the Board

N. Ramani
Partner
Mem. No. 022438

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Chennai, 26th May, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

J&J Leather Enterprises Ltd. ('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 for the year ended 31st March, 2018 are the first financial statement, the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative period information.

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, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. 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 FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

1.4 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.

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e, 1st April, 2016

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 Inventories

Raw materials and consumables have been valued at lower of cost or net realisable value after providing for obsolescence.

NOTES (CONTD.)

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.

1.7 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.

1.8 Revenue Recognition**Revenue from Job work**

Revenue from Job work are recognised as revenue upon transfer of significant risk and reward of ownership of the goods to principal, which coincides with delivery and acceptance of the goods dispatched.

Interest Income

Interest income on fixed deposits with banks is recognized/accounted on accrual basis.

1.9 Manufacturing and Operating Expenses

The Company classifies separately manufacturing and operating expenses which are directly linked to manufacturing and service activities of the Company

1.10 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.

1.11 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.

1.12 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.

NOTES (CONTD.)**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.

1.13 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).

De-Recognition

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 Over Draft.

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.

1.14 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

NOTES (CONTD.)**1.15 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.

1.16 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.

1.17 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.

2 PROPERTY, PLANT AND EQUIPMENT

2.1 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of property, plant and equipment as per IGAAP is mentioned below :-

Particulars	Amount in Rs.										
	LAND		OTHER THAN LAND					Computer Software		TOTAL	
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total	Total		
Gross Carrying Amount											
Cost as at April 1, 2016	2,752,991	19,525,123	21,989,719	185,582	701,950	808,525	167,830	46,131,720	23,856	23,856	46,155,576
Addition	-	-	778,593	511,560	-	402,869	194,000	1,887,022	7,500	7,500	1,894,522
Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	2,752,991	19,525,123	22,768,312	697,142	701,950	1,211,394	361,830	48,018,742	31,356	31,356	48,050,098
Addition	-	9,096,310	22,498,278	117,022	-	565,236	313,651	32,590,497	130,650	1,306,500	33,896,997
Disposal	-	-	-	-	201,644	-	9,920	211,564	-	-	211,564
Balance as at 31st March, 2018	2,752,991	28,621,433	45,266,590	814,164	500,306	1,776,630	665,561	80,397,675	1,337,856	1,337,856	81,735,531
Accumulated Depreciation											
Balance as at 1st April, 2016	-	-	-	-	-	-	-	-	-	-	-
Addition	-	864,019	2,719,027	49,118	150,289	151,967	117,241	4,051,661	1,931	1,931	4,053,592
Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2017	-	864,019	2,719,027	49,118	150,289	151,967	117,241	4,051,661	1,931	1,931	4,053,592
Addition	-	935,039	2,997,176	73,514	147,393	199,978	129,629	4,482,729	326,567	326,567	4,809,296
Disposal	-	-	-	-	76,205	-	-	76,205	-	-	76,205
Balance as at 31st March, 2018	-	1,799,058	5,716,203	122,632	221,477	351,945	246,870	8,458,185	328,498	328,498	8,786,684
Net Carrying Amount											
Balance as at 1st April, 2016	2,752,991	19,525,123	21,989,719	185,582	701,950	808,525	167,830	46,131,720	23,856	23,856	46,155,576
Balance as at 31st March, 2017	2,752,991	18,661,104	20,049,285	648,024	551,661	1,059,427	244,589	43,967,081	29,425	29,425	43,996,506
Balance as at 31st March, 2018	2,752,991	26,822,375	39,550,386	691,532	278,829	1,424,685	418,691	71,939,489	1,009,358	1,009,358	72,948,847

NOTES (CONTD.)

3. INTANGIBLE ASSETS

Particulars	Amount in Rs.	
	Computer Software	Total
Gross Carrying Amount		
Cost as at April 1, 2016	23,856	23,856
Addition	7,500	7,500
Disposal	-	-
Balance as at 31st March, 2017	31,356	31,356
Addition	1,306,500	1,306,500
Disposal	-	-
Balance as at 31st March, 2018	1,337,856	1,337,856
Accumulated Depreciation		
Balance as at 1st April, 2016	-	-
Addition	1,931	1,931
Disposal	-	-
Balance as at 31st March, 2017	1,931	1,931
Addition	326,568	326,568
Disposal	-	-
Balance as at 31st March, 2018	328,499	328,499
Net Carrying Amount		
Balance as at 1st April, 2016	23,856	23,856
Balance as at 31st March, 2017	29,425	29,425
Balance as at 31st March, 2018	1,009,357	1,009,357

3.1 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April 2016. The movement in carrying value of property, plant and equipment as per IGAAP is mentioned below :-

Particulars	Computer Software	Total
Gross Carrying amount		
Cost as at April 1, 2016	635,592	635,592
Addition	7,500	7,500
Disposal	-	-
Balance as at 31st March, 2017	643,092	643,092
Addition	-	-
Disposal	-	-
Balance as at 31st March, 2018	-	-
Accumulated Depreciation		
Balance as at 1st April, 2016	611,736	611,736
Addition	9,954	9,954
Disposal	-	-
Balance as at 31st March, 2017	621,690	621,690
Addition	-	-
Disposal	-	-
Balance as at 31st March, 2018	-	-
Net Carrying Amount		
Balance as at 1st April, 2016	23,856	23,856
Balance as at 31st March, 2017	21,402	21,402
Balance as at 31st March, 2018	-	-

4. NON-CURRENT LOAN

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	31st March, 2016
(Unsecured & Considered Good)			
(a) Security and Other Deposits	6,174,044	5,944,431	5,641,684
(b) Loans / Advances to Related Parties (refer note no. 29.6)	-	-	-
(c) Advance to Employees	102,125	92,619	127,696
TOTAL	6,276,169	6,037,050	5,769,380

NOTES (CONTD.)

5. INVENTORIES

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Consumable Stores	209,720	212,472	242,523
TOTAL	209,720	212,472	242,523

6. TRADE RECEIVABLES

a) Unsecured, Considered Good	-	17,450	9,483
b) Secured, Considered Good	396,960	6,604	7,236
TOTAL	396,960	24,054	16,719

7. CASH AND CASH EQUIVALENT

a) Balances with Banks			
In Current Accounts	1,054,953	534,950	625,692
In Deposit Accounts	-	-	-
b) Cash on Hand	356,028	216,750	307,217
c) Cheques/Drafts on Hand	-	-	-
TOTAL	1,410,981	751,699	932,909

8. CURRENT LOAN

(Unsecured & Considered Good)			
(a) Loan to Employee	120,000	406,000	196,000
TOTAL	120,000	406,000	196,000

9. OTHER CURRENT FINANCIAL ASSETS

a) Vat Receivable / GST	8,026,464	-	-
b) Insurance Claim Receivable	699,281	1,393,245	-
c) Other Advance	7,200	173,840	17,700
d) Income tax Refundable	-	5,777,915	4,638,023
TOTAL	8,732,945	7,345,000	4,655,723

10. OTHER CURRENT ASSETS

a) Advances with Suppliers	-	511,110	390,454
b) Prepaid Expenses	1,139,823	1,185,167	1,184,800
c) Advance Income Tax	7,129,311	1,601,564	1,139,892
d) Other Advances	-	-	-
TOTAL	8,269,134	3,297,841	2,715,146

11. SHARE CAPITAL

a) 300,000 (31st March, 2017: 300,000 1st April, 2016: 300,000) Equity Shares of Rs. 100/- each	30,000,000	30,000,000	30,000,000
Issued, Subscribed & Paid up :			
a) 2,07,500 (31st March, 2017: 207,500 1st April, 2016: 207,500) Equity Shares of Rs. 100/- each	20,750,000	20,750,000	20,750,000
	20,750,000	20,750,000	20,750,000

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

Particulars	As at		As at	
	31st March, 2018 No. of Shares	31st March, 2018 Amount (Rs)	31st March, 2017 No. of Shares	31st March, 2017 Amount (Rs)
Shares outstanding at the beginning of the year	207,500	20,750,000	207,500	20,750,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	207,500	20,750,000	207,500	20,750,000

NOTES (CONTD.)

11.2 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.

11.3 The details of Shareholders holding more than 5% shares

Name of the Shareholder	Amount in Rs.					
	As at	As at	As at	As at	As at	As at
	31st March, 2018	31st March, 2018	31st March, 2017	31st March, 2017	1st April, 2016	1st April, 2016
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Bhartiya Global Marketing Ltd	207,500	100.00	207,500	100.00	207,500	100.00

11.4 Shares held by holding company and subsidiaries of holding company in aggregate

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
	No. of Shares	No. of Shares	No. of Shares
Shares held by holding company, Bhartiya Global Marketing Ltd.	207,500	207,500	207,500

12. OTHER EQUITY

Particulars	Amount in Rs.			
	Securities Premium Reserve	Capital Reserve	Retained Earning	Total
Balance as at 1st April, 2016	8,992,500	4,621,283	8,821,204	22,434,987
Profit for the year	-	-	4,168,826	4,168,826
Other Comprehensive Income for the Year	-	-	(218,421)	(218,421)
Total Comprehensive Income for the Year	-	-	3,950,405	3,950,405
Balance as at 31st March, 2017	8,992,500	4,621,283	12,771,609	26,385,392
Profit for the year	-	-	2,398,917	2,398,917
Other Comprehensive Income for the Year	-	-	(236,904)	(236,904)
Total Comprehensive Income for the Year	-	-	2,162,013	2,162,013
Balance as at 31st March, 2018	8,992,500	4,621,283	14,933,622	28,547,405

Nature and Amount of Reserve**a) Securities Premium**

The amount received in excess of face value of the equity shares is recognised in Security Premium Reserve

b) Capital Reserve

Grants in the nature of promoters contribution received from Government are recognised as Capital Reserve.

13. NON-CURRENT BORROWING

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
Secured			
- Vehicle Loans from Banks	-	-	122,210
- Term Loans	21,076,704	-	-
TOTAL	21,076,704	-	122,210

Term Loans from Indus Ind Bank, balance outstanding amounting to Rs 229.01 lacs (31st March, 2017 is Rs. Nil) is secured by Exclusive Charge on the machinery financed by the bank and Corporate Guarantee of ultimate holding company.

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 Nil)

Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.

NOTES (CONTD.)

14. PROVISIONS			Amount in Rs.
Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Provision for Employee Benefits			
Provision for Gratuity	4,016,041	2,901,461	2,155,523
TOTAL	4,016,041	2,901,461	2,155,523
15. TRADE PAYABLE			
(a) Payable to Micro & Small Enterprises			
(b) Payable to Others	5,969,150	4,642,496	4,316,157
(c) Payable to Related Parties	-	540,000	-
	<u>5,969,150</u>	<u>5,182,496</u>	<u>4,316,157</u>
15.1 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.			
16. OTHER CURRENT FINANCIAL LIABILITIES			
(a) Current Maturities of Long-Term Debt	5,234,304	118,830	347,893
(b) Due to Employee	2,217,649	982,952	842,380
(c) Expenses Payable	1,296,607	1,343,618	1,152,764
(d) Statutory Dues Payable	436,900	420,262	403,188
(e) Capital Payable	-	229,789	-
TOTAL	9,185,460	3,095,451	2,746,225
17. PROVISIONS			
Provision for Bonus & Incentive	420,118	1,236,014	664,345
Provision for Leave Encashment	1,669,063		
TOTAL	2,089,181	1,236,014	664,345
18. OTHER CURRENT LIABILITIES			
(a) Advance from Customer	6,491,111	6,548,129	8,866,397
TOTAL	6,491,111	6,548,129	8,866,397
19. REVENUE FROM OPERATIONS			
Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017	
Sales of products			
(a) Job Work Charges	138,689,406	123,162,305	
Less: Excise Duty	-	-	
Net Job Work Charges	138,689,406	123,162,305	
TOTAL	138,689,406	123,162,305	
20. OTHER INCOME			
Interest Income	275,678	-	
- Loans & Advances	9,505	16,924	
- Security Deposit	75,150	166,089	
- Rent Income	1,200,000	1,200,000	
- Rental Income	-	-	
- Other Misc Income	783,667	140,786	
- Foreign Exchange Gain/(Loss)	-	(3,386)	
TOTAL	2,344,000	1,520,413	

NOTES (CONTD.)**21. COST OF MATERIALS CONSUMED****Amount in Rs.**

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Opening Stock	212,472	242,523
Add : Purchases Consumable	5,391,306	4,854,804
	<u>5,603,778</u>	<u>5,097,327</u>
Less : Closing Stock	209,720	212,472
Total	<u>5,394,058</u>	<u>4,884,855</u>

22. MANUFACTURING & OPERATING EXPENSES

Job Work Expenses	53,646,763	53,152,398
Electricity Expenses	11,695,926	10,323,007
Machinery Maintenance	5,662,593	3,529,222
Rent	2,598,627	2,879,364
Effluent Treatment Expenses	2,480,295	2,286,120
Testing Charges	-	14,145
Generator Running & Maintenance	3,325,418	2,921,664
TOTAL	<u>79,409,623</u>	<u>75,105,920</u>

23. EMPLOYEE BENEFIT EXPENSES

a) Salaries and Wages	22,664,416	14,334,879
b) Contribution to Provident and Other Funds	3,072,990	935,222
c) Staff Welfare Expenses	2,057,555	1,513,537
TOTAL	<u>27,794,961</u>	<u>16,783,638</u>

24. FINANCE COST

a) Interest Expenses	539,594	33,790
(b) Borrowing Cost	-	-
TOTAL	<u>539,594</u>	<u>33,790</u>

25. DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	4,809,296	4,051,662
(b) Amortisation on Intangible Assets	-	1,931
TOTAL	<u>4,809,296</u>	<u>4,053,593</u>

26. OTHER EXPENSES

Legal & Professional	3,613,724	1,627,197
Bank Charges	26,540	13,973
Building Maintenance	-	433,328
Repair & Maintenance	3,540,978	2,764,064
Communication Expenses	160,063	183,239
Rate & Taxes	1,272,792	1,033,877
Rent-Others	396,356	345,236
Travelling & Conveyance	1,861,103	1,763,839
Freight Outward	3,083,061	3,233,462
Miscellaneous Expenses	106,623	481,307
Insurance	203,247	322,117
Security Expenses	3,926,092	5,392,778
Fees & Subscription	292,444	138,789
Printing & Stationery	375,212	341,872
Auditors Remuneration - As Auditors	90,000	60,000
TOTAL	<u>18,948,235</u>	<u>18,135,078</u>

NOTES (CONTD.)

27. TAX EXPENSES

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I) Current Tax		
Current Tax on Taxable Income for the year	788,430	990,000
II) Deferred Tax		
Deferred Tax Charge/(Credit)	907,982	411,420
Income Tax reported in Statement of Profit & Loss	<u>1,696,412</u>	<u>140,420</u>
	41.00%	24.65%

28. FIRST-TIME ADOPTION OF IND AS

28.1 The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

28.2 Reconciliation of Balance Sheet as at 1st April, 2016

Particulars	Note No.	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
I ASSETS				
1 Non - Current Assets				
(a) Property, Plant and Equipment		46,131,720	-	46,131,720
(b) Capital Work-In-Progress		-	-	-
(c) Intangible Assets		23,856	-	23,856
(d) Financial Assets				
(i) Loans	a,b	6,067,375	(297,995)	5,769,380
(e) Deferred Tax Assets (net)		1,371,868	-	1,371,868
2 Current Assets				
(a) Inventories		242,523	-	242,523
(b) Financial Assets				
(i) Trade Receivables		16,719	-	16,719
(ii) Cash and Cash Equivalents		932,909	-	932,909
(iii) Loans		196,000	-	196,000
(iv) Others Financial Assets		4,655,723	-	4,655,723
(c) Current Tax Assets (net)		-	-	-
(d) Other Current Assets	a,b,c	3,784,851	(1,069,705)	2,715,146
Total Assets		<u>63,423,544</u>	<u>(1,367,700)</u>	<u>62,055,844</u>
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		20,750,000	-	20,750,000
(b) Other Equity		22,434,987	-	22,434,987
2 Liabilities				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		122,210	-	122,210
(b) Provisions		2,155,523	-	2,155,523
(c) Deferred Tax Liabilities (Net)		-	-	-
3 Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables		4,316,157	-	4,316,157
(ii) Other Financial Liabilities		2,746,225	-	2,746,225
(c) Provisions	c	2,032,045	(1,367,700)	664,345
(d) Other Current Liabilities (Net)		8,866,397	-	8,866,397
(e) Current Tax Liabilities (Net)		-	-	-
Total of Equity and Liabilities		<u>63,423,544</u>	<u>(1,367,700)</u>	<u>62,055,844</u>

NOTES (CONTD.)

28.3 Reconciliation of Balance Sheet as at 31st March, 2017

Particulars	Note No.	Regrouped previous GAAP	Ind As Adjustment	Amount in Rs.
				As per Ind AS as at 31st March, 2017
I Assets				
1 Non - Current Assets				
(a) Property, Plant and Equipment	f	39,407,671	4,559,409	43,967,080
Capital Work-in-Progress		3,067,873	-	3,067,873
(b) Intangible Assets	f	21,402	8,023	29,425
(c) Financial Assets				
(i) Trade Receivables		-	-	-
(ii) Loans	a,b	6,249,177	(212,126)	6,037,051
(d) Deferred Tax Assets (Net)		2,256,188	(1,295,739)	960,449
2 Current Assets				
(a) Inventories		212,472		212,472
(b) Financial Assets				
(i) Trade Receivables		24,054		24,054
(ii) Cash and Cash Equivalents		751,699		751,699
(ii) Loans		406,000	-	406,000
(iv) Others Financial Assets		7,345,000	-	7,345,000
(c) Current Tax assets (Net)		-	-	-
(d) Other Current Assets	a,b,c	4,075,714	(777,874)	3,297,840
Total Assets		<u>63,817,250</u>	<u>2,281,693</u>	<u>6,609,843</u>
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		20,750,000	-	20,750,000
(b) Other Equity	f	23,372,884	3,012,508	26,385,392
2 Liabilities				
Non - Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade Payables		-	-	-
(b) Provisions		2,642,276	259,185	2,901,461
(c) Deferred Tax Liabilities (Net)				
3 Current Liabilities				
(a) Financial Liabilities				
(ii) Trade Payables		5,182,496	-	5,182,496
(iii) Other Financial Liabilities		3,095,451	-	3,095,451
(c) Provisions		2,226,014	(990,000)	1,236,014
(d) Other Current Liabilities (Net)		6,548,129	-	6,548,129
(e) Current Tax Liabilities (Net)		-	-	-
Total of Equity and Liabilities		<u>63,817,250</u>	<u>2,281,693</u>	<u>66,098,943</u>

28.4 Reconciliation of statement of profit and loss for the year ended 31st March, 2017

Particulars	Note No.	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 31st March, 2017
Income				
Revenue from Operations		123,162,305	-	123,162,305
Other Income	a,b,e	1,434,544	85,869	1,520,413
Total Income		<u>124,596,849</u>	<u>85,869</u>	<u>124,682,718</u>
Expenses				
Cost of Material Consumed		4,884,855	-	4,884,855
Change in Inventories of Finished Goods		-	-	-
Manufacturing & Operating Expenses	e	75,105,920	-	75,105,920
Employee Benefits Expense	b,d	16,841,547	(57,909)	16,783,638

NOTES (CONTD.)

Particulars	Note No.	Amount in Rs.		
		Regrouped previous GAAP	Ind As Adjustment	As per Ind AS as at 31st March, 2017
Finance Costs		33,790	-	33,790
Depreciation and Amortisation Expense	f	8,621,025	(4,567,432)	4,053,593
Other Expenses	a	18,066,133	68,945	18,135,078
Total Expenses		<u>123,553,270</u>	<u>(4,556,396)</u>	<u>118,996,874</u>
Profit/ (Loss) before Tax		1,043,579	4,642,265	5,685,844
Tax Expenses				
i Current Tax		990,000	-	990,000
ii Deferred Tax		(884,319)	1,411,336	527,018
Profit / (Loss) for the year		<u>937,898</u>	<u>4,642,265</u>	<u>4,168,826</u>
Other Comprehensive Income				
Items that will not be Reclassified to profit or Loss				
Re-measurements of the defined benefit plans	d	-	(334,018)	(334,018)
Income Tax relating to above Items		-	115,597	115,597
Total Comprehensive Income for the Year		<u>937,898</u>	<u>4,423,843</u>	<u>3,950,405</u>

28.5 Notes to the Reconciliations

Particulars	IMPACT	As at	
		1st April, 2016	31st March, 2017
a) Impact on Interest Free Security Deposit given			
On Balance Sheet			
Loans (Non-current)	Decrease	(269,691)	(200,746)
Other Current Assets	Increase	269,691	200,746
On Statement of Profit and Loss			
Other Income	Increase	-	68,945
Other Expenses	Increase	-	68,945
b) Impact on Loan Given to Staff			
On Balance Sheet			
Loans (Non-current)	Decrease	(28,304)	(11,381)
Other Current Assets	Increase	28,304	11,381
On Statement of Profit and Loss			
Other Income	Increase	-	16,924
Employee Benefits Expense	Increase	-	-
c) Impact on Advance Income Tax			
On Balance Sheet			
Other Current Assets	Decrease	(1,367,700)	(990,000)
Provisions (Current)	Decrease	(1,367,700)	(990,000)
d) Impact on Gratuity on the basis of Actuarial Calculation			
On Balance Sheet			
Provisions (Non-Current)	Increase	-	259,185
Deferred Tax Assets (net)	Increase	-	(1,411,336)
On Statement of Profit and Loss			
Employee Benefits Expense	Decrease	-	(74,833)
Other Comprehensive Income	Decrease	-	(334,018)
Tax Expenses (OCI)	Decrease	-	(115,597)
e) Impact of Re-measurement of amortisation of Property Plant & Equipment on the basis of Straight Line Method			
On Balance sheet			
Property, Plant and Equipment	Decrease	-	(4,559,409)
Intangible Assets	Decrease	-	(8,023)
Other Equity	Increase	-	4,567,432
On Statement of Profit and Loss			
Depreciation and Amortisation Expense	Decrease	-	(4,567,432)
Tax Expenses	Increase	-	1,411,336

NOTES (CONTD.)

29. EMPLOYEE BENEFITS PLAN

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

a) Defined Contribution Plans	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Particulars		
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident fund*	1,390,795	957,196
b) Employees State Insurance Corporation	182,496	52,859

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, 2018	As at 31st March, 2017
Expected return on plan assets	0.00%	0.00%
Discount rate	7.50%	7.50%
Salary increase rate	10.00%	10.00%
Employee turnover	5.00%	5.00%
In service mortality	IALM (2006-08)	IALM (2006-08)

ii) **Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Gratuity	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Current services cost	568,592	493,163
Net interest expenses	217,610	433,549
Past services cost	552,747	
Components of defined benefit costs recognised in profit or Loss	1,338,949	926,712
Re-measurement on the net defined benefit liability:		
Actuarial (gains)/ losses on obligation for the year	279,215	334,018
Return on plan assets	-	-
Net(Income)/Expenses for the year ended recognized in OCI	279,215	334,018

iii) **The amount included in the balance sheet arising from the entity's obligation in respect of its defined**

Particulars	As at	As at
	31st March, 2018	31st March, 2017
Present Value of defined benefit obligation	4,016,041	2,901,461
Fair Vale of Plan Asset	-	-
Net Liability arising from defined benefit obligation	4,016,041	2,901,461

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

Particulars	Gratuity	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Opening defined obligation	2,901,461	2,155,523
Interest cost	217,610	-
Current service cost	568,592	493,163
Past service cost	552,748	-
Benefits Paid	(503,584)	(81,243)
Actuarial (gains)/ losses	279,215	334,018
Closing defined benefit obligation	4,016,042	2,901,461

NOTES (CONTD.)**v) Movements in the fair value of the plan assets are as follows:**

Particulars	Gratuity	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
N.A.	N.A.	N.A.

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2018 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(595,141)	731,312
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	520,330	(533,764)
Effect of Increase/decrease in employee turnover by 20% on Defined benefit obligations	(37,151)	(533,764)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2017 is as follows:

Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(350,317)	430,631
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	255,562	(226,376)
Effect of Increase/decrease in employee turnover by 1% on Defined benefit obligations	(503,123)	2,939

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

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".

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	Amount in Rs.			
	As at 31st March, 2018			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised cost				
Trade Receivable	396,960	-	-	396,960
Cash & Cash Equivalents	1,410,981	-	-	1,410,981
Loans	6,396,169	-	-	6,396,169
Other Financial Assets	8,732,945	-	-	8,732,945
Financial Liabilities				
Borrowings	26,311,008	-	-	26,311,008
Trade Payables	5,969,151	-	-	5,969,151
Other Financial Liabilities	3,951,156	-	-	3,951,156
Particulars	As at 31st March, 2017			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	24,054	-	-	24,054
Cash & Cash Equivalents	751,699	-	-	751,699
Loans	6,443,051	-	-	6,443,051
Other Financial Assets	7,345,000	-	-	7,345,000
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	5,182,496	-	-	5,182,496
Other Financial Liabilities	3,095,451	-	-	3,095,451
Particulars	As at 1st April, 2016			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	16,719	-	-	16,719
Cash & Cash Equivalents	932,909	-	-	932,909
Loans	5,965,380	-	-	5,965,380
Other Financial Assets	4,655,723	-	-	4,655,723
Financial Liabilities				
At Amortised Cost				
Borrowings	122,210	-	-	122,210
Trade Payables	4,316,157	-	-	4,316,157
Other Financial Liabilities	2,746,225	-	-	2,746,225

NOTES (CONTD.)

30. CONTINGENT LIABILITIES

Particulars	Amount in Rs.	
	As at 31st March, 2018	As at 31st March, 2017
Contingent Liabilities not provided for -		
Corporate Guarantee executed by the Company in the form of Joint equitable mortgage of Land belonging to the Company for securing the Loan facility extended by a bank to the holding Company.	240,000,000	240,000,000

30.1 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and medium enterprises Development Act, 2006) claiming their status as micro, small or medium enterprises. Consequently the amount paid / payable to these parties during the year is Nil.

30.2 Details of Management Remuneration to Whole-Time Director.

Particulars	Current Year	Previous Year
Salary & Allowances	3,00,000	3,00,000

30.3 Consumption of Imported & Indigenous Raw Material (including Consumables)

Particulars	Current Year		Previous Year	
		%		%
Indigenous	5,394,058	100	4,884,855	100
Imported	-	-	-	-
	<u>5,394,058</u>	<u>100</u>	<u>4,884,855</u>	<u>100</u>

30.4 FOB Value Exports Nil Nil

30.5 Related party disclosure as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :

(a) Relationship

i) Holding Companies

Bhartiya Global Marketing Ltd.
Bhartiya International Ltd.

ii) Key Management Personnel

Mr. Amrishpal Singh
Mr. Manoj Khattar
Mr. C.L. Handa

iii) (a) Transaction with Related Parties

Summary Transactions during the year :	Holding Company	Key Management Personnel	Relatives of Key Management Personnel
a) Rent (Recd)	1,200,000	-	-
	(1,200,000)	-	-
b) Job Work	138,664,974	-	-
	(123,087,870)	-	-
c) Salaries		300,000	-
		(300,000)	-
d) Management Fees	600,000	-	-
	(600,000)	-	-
(b) Balances Outstanding at the year end			
Sundry Debtors	-	-	-
Sundry Creditors	6,491,111	25,000	-
	(6,548,129)	(25,000)	-

NOTES (CONTD.)

30.6 Consumption of Raw Material

Particulars	Amount in Rs.	
	Current Year Value	Previous Year Value
Consumable	5,394,058	4,884,855
	<u>5,394,058</u>	<u>4,884,855</u>

30.7 Segment Reporting Disclosure as per accounting standard AS -17, are at present not applicable to the Company

30.8 The basic /diluted earnings per share calculated as per the Accounting Standard -20 issued by the Institute of Chartered Accountants of India is as under.

Income available to Equity Shareholders	2,942,745	4,844,451
No of Shares at the beginning of the Year (A)	207,500	207,500
Equity allotted during the year		
Weighted Average Shares (B)		
Weighted Average Shares Outstanding (nos)(A+B)	207,500	207,500
Effect of Dilutive Securities (nos):		
Add: Adjustment for warrants convertible into Equity Shares	-	-
Weighted Average number of equity shares for Diluted EPS	207,500	207,500
	Rs Per Share	Rs Per Share
Nominal Value per share	10.00	10.00
Earnings per share (Basic)	14.18	23.35
Earnings per share(Diluted)	14.18	23.35

31. 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 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.

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	Amount in Rs.	
	As at 31st March, 2018	As at 31st March, 2017
Not due	-	-
Less than 6 month	17,450	9,483
More than 6 month	6,604	7,236

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**

Particulars	Amount in Rs.			
	As at 31st March, 2018			Total
	0-1 year	1-5 year	Beyond 5 year	
Borrowing (Including current maturity of long term borrowing)	5,234,304	21,076,704		26,311,008
Trade Payable	5,969,151			5,969,151
Other current liabilities	3,951,156			3,951,156
Particulars	As at 31st March,2017			Total
	0-1 year	1-5 year	Beyond 5 year	
	Borrowing (Including current maturity of long term borrowing)	118,830		
Trade Payable	5,182,496			5,182,496
Other current liabilities	3,095,451			3,095,451

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	As at
	31st March, 2018	31st March, 2017
Total Borrowings	26,311,008	118,830
% 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, 2018	31st March, 2017
100 bp increase would decrease the profit before tax by	56,869	-
100 bp decrease would Increase the profit before tax by	56,869	-

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,2018		As at 31st March,2017	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD		-	-	-
EURO	6,600	-	-	-
GBP				
Other				

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

NOTES (CONTD.)

foreign currency denominated monetary items and adjusts their translation at the period end

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
EURO	26,470	(26,470)	-	-
Foreign Currency Monetary Liabilities	-	-	-	-
Impact on profit or loss as at the end of reporting year	26,470	(26,470)	-	-

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.

As per our report of even date attached
For Padmanabhan Ramani & Ramanujan
 Chartered Accountants
 Firm Registration No. 002510S

For and on behalf of the Board

N. Ramani
 Partner
 Mem. No. 022438

Amrishpal Singh
 Managing Director
 DIN: 02735647

Manoj Khattar
 Director
 DIN: 00694981

Chennai, 26th May, 2018

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 12th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2018:

Financial Results

The financial performance of the Company for the financial year ended 31st March, 2018 is summarized below:

Particulars	2017-18	2016-17
Total Income	40,61,101	31,89,605
Total Expenses	71,72,488	83,27,189
Tax Expense	-	-
Profit / (Loss) for the year after Tax	(31,11,387)	(51,38,124)

Operations Review

The Company's request for de-notification of SEZ is still pending with Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) & Andhra Pradesh Government. Efforts are being done to see the SEZ de-notified at the earliest.

The performance of the unit operated by Bhartiya International Ltd. in the Company's industrial park continues to be satisfactory. It is expected that after de-notification from SEZ, the Company will go for much larger expansion.

Dividend

Your directors do not recommend any dividend for the financial year ended 31st March, 2018.

Reserves

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 Crore only) comprising of 2,00,00,000 (Two Crore) equity shares of Rs. 10/- (Rupees Ten only) each as on 31st March, 2018.

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 Only) equity shares of Rs. 10/- (Rupees Ten only) each as on 31st March, 2018.

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, 2018.

Statutory Auditors

The statutory auditors of the Company, M/s. K A S G & Co., Chartered Accountants hold the office till the conclusion of the 16th Annual General Meeting of the Company and subject to the ratification of their appointment as statutory auditors in every annual general meeting.

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.

Extract of Annual Return

The extract of the annual return as provided under section 92(3) in Form No. MGT – 9 is enclosed and part of the Board's report as 'Annexure A'.

Board of Directors and Committees of Board

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Manoj Khattar, Director of the Company is liable to retire by rotation at the ensuing 12th Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors of the Company appointed Mr. A. Shyam Prasad as an Additional Director of the Company w.e.f. 6th

April, 2018 being Nominee of Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC) and who holds office up to the date of ensuing 12th Annual General Meeting of the Company and in respect of whom a notice has been received from a member in writing, under section 160 of the Companies Act, 2013 along with requisite deposit proposing his candidature for the office of director, being eligible for re-appointment as Nominee Director of the Company.

Further Mr. Babu A. Resigned from the post of Nominee Director of the Company with effect from 6th April, 2018 due to withdrawn of his Nomination by Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC).

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

Further the composition of Board of Directors, Committees, and change in Board / 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:

S.N.	Name of the Director/KMP	Date of the Appointment	Date of the Resignation	Date of the change in designation
1	Mr. A. Shyam Prasad (Additional Director)	06.04.2018	-	-
2	Mr. Babu A. (Nominee Director)	08.05.2017	06.04.2018	-
3	Mr. Amrishpal Singh (change in designation from Managing Director to Director)	-	-	02.01.2018
4	Mr. Amrishpal Singh (Appointed as Managing Director)	06.04.2018	-	-

b) Number of Meetings of the Board of Directors

During the Financial Year 2017-18; 4 (Four) Nos. of Board Meetings were conducted on 24th May, 2017, 15th September, 2017, 27th December, 2017, and 27th March, 2018.

c) Audit Committee

The composition of an Audit Committee constituted by the Board of Directors is as under:

S. N.	Name of the Member	Designation
1	Mr. Manoj Khattar	Non-Executive Director
2	Mr. C. L. Handa	Independent Director
3	Mr. Sandeep Seth	Independent Director

d) Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee constituted by the Board of Directors is as under:

S.N.	Name of the Member	Designation
1	Mr. Manoj Khattar	Non-Executive Director
2	Mr. C. L. Handa	Independent Director
3	Mr. Sandeep Seth	Independent Director

- e) The performance of the Board of Directors was reviewed by independent directors of the Company at their meeting held on 27th March, 2018 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2018.

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)

All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted.

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

No order(s) has been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the period.

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 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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

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, Air-conditioners are used only when required and thereby enhancing energy efficiency.

b. Technology Absorption

- (i) the efforts made towards technology absorption;
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
- (iii) in case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)-
 - a) the details of technology imported;
 - b) the year of import;
 - c) whether the technology been fully absorbed;

- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
(iv) the expenditure incurred on Research and Development.

As per the nature of the activities of the Company, the above is not applicable to the Company.

c. Foreign Exchange Earnings & Outgo

During the year under review; there was no foreign exchange earning & 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, 2018 and the date of the report

There are no material changes occurred in between the financial year ended on 31st March, 2018 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 period under review there was no Subsidiary / Joint Venture / Associate Company to 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 their thanks to the employees at all levels for the growth of the Company.

For and on behalf of the Board

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Gurugram, 21st May, 2018

'Annexure-A'
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	:	U74999DL2007PLC159827
ii) Registration Date	:	27/02/2007
iii) Name of the Company	:	Bhartiya international SEZ Ltd.
iv) Category / Sub-Category of Company	:	Public Limited Company
v) Address of the Registered office and contact details	:	E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
vi) Whether listed company	:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. N.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Building Maintenance Charges	4520	90.87

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding / subsidiary / Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. 56/7, Nallambakkam, Village (Via Vandalur) Chennai-600048 Tamil Nadu	L74899TN1987PLC111744	Holding Company	88.95	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF									
b) Central Govt.									
c) State Govt. (s)									
d) Bodies Corp.	-	1,20,69,230	1,20,69,230	88.95	-	1,20,69,230	1,20,69,230	88.95	-
e) Banks / FI									
f) Any Other....									
Sub-Total (A) (1)	-	1,20,69,230	1,20,69,230	88.95	-	1,20,69,230	1,20,69,230	88.95	-
2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	1,20,69,230	1,20,69,230	88.95	-	1,20,69,230	1,20,69,230	88.95	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt. (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others-State Govt. Company	-	15,00,000	15,00,000	11.05	-	15,00,000	15,00,000	11.05	-
Sub-total (B)(1):-	-	15,00,000	15,00,000	11.05	-	15,00,000	15,00,000	11.05	-
2. Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others									
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+ (B)(2)	-	15,00,000	15,00,000	11.05	-	15,00,000	15,00,000	11.05	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1,35,69,230	1,35,69,230	100	-	1,35,69,230	1,35,69,230	100	-

(ii) Shareholding of Promoters

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share- holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Bhartiya International Ltd.	1,20,69,230	88.95	-	1,20,69,230	88.95	-	-
	Total	1,20,69,230	88.95	-	1,20,69,230	88.95	-	-

(iii) Change in Promoters' Shareholding please specify, if there is no change)

S. N.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.			-NIL-	
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Shareholder's Name	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Andhra Pradesh Industrial Infrastructure Corporation Ltd.	At the beginning of the year	15,00,000	11.05	15,00,000	11.05
		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	15,00,000	11.05	15,00,000	11.05

(v) Shareholding of Directors and Key Managerial Personnel:

S.N.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-NIL -			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
· Addition				
· Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-NIL -	
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total (A) Ceiling as per the Act		

B. Remuneration to other Directors:

S.N.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	---	
1.	Independent Directors · Fee for attending Board Committee Meetings · Commission · Others, please specify Total (1)	-NIL -				
2.	Other Non-Executive Directors · Fee for attending Board Committee Meetings · Commission · Others, please specify Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/Whole-Time Director
(Amount in Rs.)

S.N	Particulars of Remuneration	Key Managerial Personnel			
		MD	Mr. Gaurav Singhal Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	1,44,000	Nil	1,44,000
2.	Stock Option		-		-
3.	Sweat Equity		-		-
4.	Commission - as % of profit - others, specify...		-		-
5.	Others, please specify				
	Total		1,44,000		1,44,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no penalties, punishments, or compounding of offence during the year ended 31st March, 2018.

For and on behalf of the Board

Amrishpal Singh
(Managing Director)
DIN: 02735647

Manoj Khattar
(Director)
DIN: 00694981

Gurugram, 21st May, 2018

INDEPENDENT AUDITORS' REPORT

**To,
The Members of
Bhartiya International SEZ Ltd.**

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya International SEZ Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss, the Cash flow statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, cash flows and changes in equity 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.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 including Ind AS specified under section 133 of the Act, of the state of affairs of the Company as at 31 March, 2018 and its Loss, its cash flows and the change in equity for the year ended on that date.

Other Matter

The audited financial statements for the year ended 31 March, 2017 was carried out and reported by Sushil Poddar & Co., vide their unmodified audit report dated 24 May, 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the financial statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2018 ("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 balance sheet, the Statement of Profit and Loss, 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 Indian Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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 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.

For **K A S G & CO.**
Chartered Accountants
Firm's Registration No. 002228C

R.B. Sharma
Partner
Mem. No. 075701

Gurugram, 21st May, 2018

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 31 March, 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) As explained to us, all the fixed assets have been physically verified by the management at reasonable interval during the year and no discrepancies were noticed on such verification.
 - (c) The company does not hold any immovable property other than stock in trade. Accordingly provision of clause 3 (i) (c) of the Order is not applicable to the company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year. No discrepancies with respect to book records were noticed on such verification.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. The company has been regular in depositing its undisputed statutory dues including Income Tax, Employees State Insurance and Goods & Service Tax with the appropriate authorities during the period and that there were no undisputed amounts payable in respect of these statutory dues which have remained outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable. We were informed that the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1956 is not applicable to the company and that the operations of the company during the period, did not give rise to any liability for Sales Tax/VAT, Excise Duty, Custom Duty, Service Tax and Investor Education and Protection Fund.
 - b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, GST, Income Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company,

the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **K A S G & CO.**

Chartered Accountants

Firm's Registration No. 002228C

R.B. Sharma

Partner

Mem. No. 075701

Gurugram, 21st May, 2018

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 Ltd. ("the Company") as of 31 March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 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 31 March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K A S G & CO.**

Chartered Accountants

Firm's Registration No. 002228C

R.B. Sharma

Partner

Mem. No. 075701

Gurugram, 21st May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	Amount in Rs.		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	2	883,868	3,535,762	8,054,864
2 Current Assets				
(a) Inventories	3	125,611,586	125,611,586	125,611,586
(b) Financial Assets				
(i) Trade Receivables	4	4,225,314	4,633,425	4,790,024
(ii) Cash and Cash Equivalents	5	5,164,175	5,435,316	5,734,800
(iii) Others Financial Assets	6	33,630	67,099	36,832
(c) Other Current Assets	7	442,992	150,544	194,862
Total Assets		136,361,565	139,433,732	144,422,968
II Equity And Liabilities				
1 Equity				
(a) Equity Share Capital	8	135,692,300	135,692,300	135,692,300
(b) Other Equity	9	321,883	3,427,092	8,427,435
2 Liabilities				
Non - Current Liabilities				
(a) Provisions	10	26,836	23,659	6,928
3 Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	11	236,375	237,342	223,949
(ii) Other Financial Liabilities	12	61,002	49,585	71,364
(b) Provisions	13	23,169	3,754	992
Total of Equity and Liabilities		136,361,565	139,433,732	144,422,968
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

Gaurav Singhal

Company Secretary

Mem. No. F6308

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

Gurugram, 21st May, 2018

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

PARTICULARS	Note No.	Amount in Rs.	
		Year Ended 31st March, 2018	Year Ended 31st March, 2017
Income			
Revenue from Operations	14	3,690,476	2,815,172
Other Income	15	370,625	373,893
Total Income		<u>4,061,101</u>	<u>3,189,065</u>
Expenses			
Employee Benefits Expense	16	527,141	346,878
Depreciation and Amortisation Expense	17	2,651,894	4,519,103
Other Expenses	18	3,993,453	3,323,427
Total Expenses		<u>7,172,488</u>	<u>8,189,408</u>
Profit/ (Loss) before Tax		(3,111,387)	(5,000,343)
Tax expenses			
i Current Tax		-	-
ii Deferred Tax		-	-
Profit / (Loss) for the year from continuing Operation		<u>(3,111,387)</u>	<u>(5,000,343)</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Remeasurements of the defined benefit plans		6,178	-
Total Comprehensive Income for the Year		<u>(3,105,209)</u>	<u>(5,000,343)</u>
Earnings per equity share of Face Value			
Basic (in Rs.)		(0.23)	(0.37)
Diluted (in Rs.)		(0.23)	(0.37)
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

Gaurav Singhal
Company Secretary
Mem. No. F6308

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Gurugram, 21st May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	Equity Capital Amount (Rs)
a) Equity Share Capital	8	
Balance as at 1st April, 2016		135,692,300
Change in Equity Share Capital during the Year 2016-17		-
Balance as at 31st March, 2017		135,692,300
Change in Equity Share Capital during the Year 2017-18		-
Balance as at 31st March, 2018		135,692,300

Particulars	Note No.	Retained Earning Amount (Rs)
b) Other Equity	9	
As at 1st April, 2016		8,427,435
Profit/(Loss) for the year 2016-17		(5,000,343)
Other comprehensive income for the year		-
As at 31st March, 2017		3,427,092
Profit/(Loss) for the year 2017-18		(3,111,387)
Other Comprehensive Income for the year		6,178
Balance as at 31st March, 2018		321,883

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

Gaurav Singhal
Company Secretary
Mem. No. F6308

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Gurugram, 21st May, 2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particular	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	(3,111,387)	(5,000,343)
<i>Adjustment for :</i>		
Depreciation and amortisation expense	<u>2,651,894</u>	<u>4,519,103</u>
Operating profit/(loss) before working capital changes	(459,493)	(481,240)
<i>Movements in working capital:</i>		
Decrease/ (increase) in Trade Receivable	408,111	156,599
Decrease/ (increase) in Other Current Financial Assets	33,469	(30,267)
Decrease/ (increase) in Other Current Assets	(284,000)	60,000
Increase/ (decrease) in Trade Payables	(967)	13,392
Increase/ (decrease) in Other Current Financial Liabilities	11,417	(21,779)
Increase/ (decrease) in Short Term Provisions	19,415	2,762
Increase/ (decrease) in Long Term Provisions	9,355	16,731
Cash (used in) / Generated from Operations	(262,693)	(283,802)
Income Tax Paid (Net)	(8,448)	(15,682)
Net Cash (Used in)/ Generated from Operating Activities - (A)	(271,141)	(299,484)
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)	(271,141)	(299,484)
Cash and Cash Equivalents as at beginning of the year	5,435,316	5,734,800
Cash and Cash Equivalents as at the end of the Year	5,164,175	5,435,316
Components of Cash and Cash Equivalents:		
Cash on hand	93,296	120,100
Balances with Banks	5,070,879	5,315,216
Cash and Cash Equivalents in Cash Flow Statement (refer note 5)	5,164,175	5,435,316
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**Gaurav Singhal**Company Secretary
Mem. No. F6308**Amrishpal Singh**Managing Director
DIN: 02735647**Manoj Khattar**Director
DIN: 00694981

Gurugram, 21st May, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

Bhartiya International SEZ Ltd. ('the Company') is a public limited company promoted by Bhartiya International Ltd. 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 Distt., 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.

These financial statements for the Year Ended 31st March, 2018 are the first financial statement , the Company has prepared under Ind AS for all periods upto and including the Year Ended 31st March, 2017 , the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the Year Ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative period information.

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, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. 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 FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the Year Ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the Year Ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for Year Ended 31st March, 2018, together with the comparative information as at and for the Year Ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

1.4 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.

Upon first-time adoption of Ind AS, the Company has elected to measure all its property, plant and equipment at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e, 1st April,2016

1.5 Inventories

Inventories of land is valued at cost which comprises cost of Land, Materials, Services and Overheads directly related to development of land.

NOTES (CONTD.)

1.6 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.

1.7 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.

1.8 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.

1.9 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.

1.10 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.

1.11 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.

NOTES (CONTD.)

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.

(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.

De-recognition

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

NOTES (CONTD.)

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.

De-recognition

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

1.12 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**

Particulars	Amount in Rs.					
	Buildings	STP	Furniture and Fixtures	Office Equipment	Computer Equipment	Total
Gross Carrying Amount						
Cost as at April, 1,2016	6,291,550	1,728,674	30,942	3,698	-	8,054,864
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance as at 31st March, 2017	6,291,550	1,728,674	30,942	3,698	-	8,054,864
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance as at 31st March, 2018	6,291,550	1,728,674	30,942	3,698	-	8,054,864
Accumulated Depreciation						
Balance as at 1 st April, ,2016	-	-	-	-	-	-
Addition	3,513,599	994,811	8,607	2,086	-	4,519,102
Disposal	-	-	-	-	-	-
Balance as at 31st March,2017	3,513,599	994,811	8,607	2,086	-	4,519,102
Addition	2,060,028	583,259	8,607	-	-	2,651,894
Disposal	-	-	-	-	-	-
Balance as at 31st March,2018	5,573,627	1,578,070	17,214	2,086	-	7,170,996
Net Carrying Amount						
Balance as at 1st April, 2016	6,291,550	1,728,674	30,942	3,698	-	8,054,864
Balance as at 31st March,2017	2,777,951	733,863	22,335	1,612	-	3,535,762
Balance as at 31st March,2018	717,923	150,604	13,728	1,612	-	883,868

2.1 The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount i.e. 31st March, 2016 as its deemed cost (Gross Block Value) on the date of transition to Ind AS i.e. 1st April, 2016. The movement in carrying value of property, plant and equipment as per IGAAP is mentioned below :-

Particulars	OTHER THAN LAND					
	Buildings	STP	Furniture and Fixtures	Office Equipment	Computer Equipment	Total
Gross Carrying Amount						
Cost as at April, 1,2016	14,358,456	3,012,078	69,200	32,228	157,180	17,629,142
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance as at 31st March, 2017	14,358,456	3,012,078	69,200	32,228	157,180	17,629,142
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance as at 31st March, 2018	14,358,456	3,012,078	69,200	32,228	157,180	17,629,142
Accumulated Depreciation						
Balance as at 1 st April, ,2016	8,066,906	1,283,404	38,258	28,530	157,180	9,574,278
Addition	3,513,599	994,811	8,606	2,086	-	4,519,102
Disposal	-	-	-	-	-	-
Balance as at 31st March, 2017	11,580,505	2,278,215	46,864	30,616	157,180	14,093,382
Addition	2,060,028	583,259	8,607	-	-	2,651,894
Disposal	-	-	-	-	-	-
Balance as at 31st March, 2018	13,640,533	2,861,474	55,471	30,616	157,180	16,745,275
Net carrying Amount						
Balance as at 1st April, 2016	6,291,550	1,728,674	30,942	3,698	-	8,054,864
Balance as at 31st March, 2017	2,777,951	733,863	22,335	1,612	-	3,535,762
Balance as at 31st March, 2018	717,923	150,604	13,728	1,612	-	883,868

NOTES (CONTD.)**3. INVENTORIES**

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Land and Land Development Cost	<u>125,611,586</u>	<u>125,611,586</u>	<u>125,611,586</u>
TOTAL	<u>125,611,586</u>	<u>125,611,586</u>	<u>125,611,586</u>

4. TRADE RECEIVABLES

(Unsecured, Considered Good)

(a) Trade Receivable

(b) Receivable from Related Parties

TOTAL

-	-	-
<u>4,225,314</u>	<u>4,633,425</u>	<u>4,790,024</u>
<u>4,225,314</u>	<u>4,633,425</u>	<u>4,790,024</u>

5. CASH AND CASH EQUIVALENT

a) Balances with Banks

In Current Accounts

In Deposit Accounts

b) Cash on Hand

TOTAL

<u>528,461</u>	<u>1,075,945</u>	<u>5,570,737</u>
<u>4,542,418</u>	<u>4,239,271</u>	-
<u>93,296</u>	<u>120,100</u>	<u>164,063</u>
<u>5,164,175</u>	<u>5,435,316</u>	<u>5,734,800</u>

6. Other Current Financial Assets

a) Other Advance

TOTAL

<u>33,630</u>	<u>67,099</u>	<u>36,832</u>
<u>33,630</u>	<u>67,099</u>	<u>36,832</u>

7. Other Current Assets

a) Prepaid Expenses

b) Advance Income tax

c) Other Advances

TOTAL

<u>44,000</u>	<u>60,000</u>	<u>120,000</u>
<u>98,992</u>	<u>90,544</u>	<u>74,862</u>
<u>300,000</u>	-	-
<u>442,992</u>	<u>150,544</u>	<u>194,862</u>

8. SHARE CAPITAL**Authorised Share Capital**

20,000,000(31st March, 2017: 20,000,000 & 1st April, 2016: 20,000,000)Equity Shares of Rs 10/- Each

<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>
<u>200,000,000</u>	<u>200,000,000</u>	<u>200,000,000</u>

Issued, Subscribed & Paid up :

13,569,230(31st March,2017: 13,569,230 & 1st April,2016: 13,569,230) Equity Shares of 10/- Each Fully Paid up

TOTAL

<u>135,692,300</u>	<u>135,692,300</u>	<u>135,692,300</u>
<u>135,692,300</u>	<u>135,692,300</u>	<u>135,692,300</u>

8.1 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at	As at	As at	As at
	31st March, 2018 No. of Shares	31st March, 2018 Amount (Rs.)	31st March, 2017 No. of Shares	31st March, 2017 Amount (Rs.)
Shares outstanding at the beginning of the year	<u>13,569,230</u>	<u>135,692,300</u>	<u>13,569,230</u>	<u>135,692,300</u>
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>13,569,230</u>	<u>135,692,300</u>	<u>13,569,230</u>	<u>135,692,300</u>

8.2 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.

NOTES (CONTD.)

8.3 The details of Shareholders holding more than 5% shares

Name of the share holders	Amount in Rs.					
	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2017	As at 1st April, 2016	As at 1st April, 2016
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Bhartiya International Ltd.	12,069,230	88.95	12,069,230	88.95	12,069,230	88.95
(b) Andhra Pradesh Industrial & Infrastructure Corporation Ltd.	1,500,000	11.05	1,500,000	11.05	1,500,000	11.05

8.4 Shares Held By holding company and subsidiaries of holding company in aggregate

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
	No. of Shares	No. of Shares	No. of Shares
(a) Shares held by holding Company, Bhartiya International Ltd.	12,069,230	12,069,230	12,069,230

9 Other Equity

Particulars	Retained Earning	Total
Balance as at 1st April, 2016	8,427,435	8,427,435
Profit/(Loss) for the year	(5,000,343)	(5,000,343)
Other comprehensive income for the year	-	-
Balance as at 31st March, 2017	3,427,092	3,427,092
Profit/(Loss) for the year	(3,111,387)	(3,111,387)
Other comprehensive income for the year	6,178	6,178
Balance as at 31st March, 2018	321,883	321,883

10. PROVISIONS

Particulars	As at	As at	As at
	31st March, 2018	31st March, 2017	1st April, 2016
(a) Provision for Employees benefit	26,836	23,659	6,928
TOTAL	26,836	23,659	6,928

11 TRADE PAYABLE

(a) Payable to Micro & Small Enterprises	-	-	-
(b) Payable to others	236,375	237,342	223,949
TOTAL	236,375	237,342	223,949

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.

12 OTHER CURRENT FINANCIAL LIABILITIES

(a) Due to Employee	17,818	14,871	35,923
(b) Expenses Payable	35,384	27,000	27,787
(c) Statutory Dues Payable	7,800	7,714	7,654
TOTAL	61,002	49,585	71,364

13 PROVISIONS

(a) Provision for Employees Benefits	23,169	3,754	992
TOTAL	23,169	3,754	992

NOTES (CONTD.)**14. REVENUE FROM OPERATIONS**

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Service Charges	<u>3,690,476</u>	<u>2,815,172</u>
TOTAL	<u>3,690,476</u>	<u>2,815,172</u>

15 OTHER INCOME**Interest Income on**

- Bank Deposit	332,929	304,003
- Income Tax Refund	4,066	2,736
- Security Deposit	33,630	67,154
TOTAL	<u>370,625</u>	<u>373,893</u>

16 EMPLOYEE BENEFIT EXPENSES

(a) Salary & Allowances	486,287	307,148
(b) Contribution to Provident & Other Fund	30,854	18,484
(c) Staff Welfare Expenses	10,000	21,246
TOTAL	<u>527,141</u>	<u>346,878</u>

17 DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	2,651,894	4,519,103
TOTAL	<u>2,651,894</u>	<u>4,519,103</u>

18 OTHER EXPENSES

(a) Legal and Professional Charges	60,000	118,090
(b) Auditors Remuneration	30,000	30,000
(c) Bank Charges	4,207	2,269
(d) Rates Taxes & Duties	19,979	22,359
(e) Travelling	11,200	111,101
(f) Conveyance Expenses	13,203	41,514
(g) Fees & Subscription	-	8,588
(h) Security Expenses	2,880,876	2,815,172
(i) Business promotion	52,479	77,151
(j) General Expenses	109,485	92,375
(k) Postage & Courier	2,424	4,808
(l) Service charges to Authorities	809,600	-
TOTAL	<u>3,993,453</u>	<u>3,323,427</u>

19. FIRST-TIME ADOPTION OF IND AS

19.1 The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

19.2 Reconciliation of Balance sheet as at 1st April, 2016

Particulars	Regrouped Previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
I ASSETS			
1 Non - Current Assets			
(a) Property, Plant and Equipment	8,054,864	-	8,054,864
(b) Other Non-Current Assets	137,778	(137,778)	-
2 Current Assets			
(a) Inventories	125,611,586	-	125,611,586
(b) Financial Assets			
(i) Trade Receivables	4,790,024	-	4,790,024
(ii) Cash and Cash Equivalents	5,734,800	-	5,734,800

NOTES (CONTD.)

Particulars	Regrouped Previous GAAP	Ind As Adjustment	As per Ind AS as at 1st April, 2016
(iii) Others Financial Assets	36,832	-	36,832
(c) Other Current Assets	332,643	(137,781)	194,862
Total Assets	<u>144,698,527</u>	<u>(275,559)</u>	<u>144,422,968</u>
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	135,692,300	-	135,692,300
(b) Other Equity	8,702,994	(275,559)	8,427,435
2 Liabilities			
Non-Current Liabilities			
(a) Provisions	6,928	-	6,928
3 Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	223,949	-	223,949
(ii) Other Financial Liabilities	71,364	-	71,364
(b) Provisions	992	-	992
Total of Equity and Liabilities	<u>144,698,527</u>	<u>(275,559)</u>	<u>144,422,968</u>

19.3 Reconciliation of Balance Sheet as at 31st March, 2017

Particulars	Regrouped Previous GAAP	Ind As Adjustment	As per Ind AS as at 31st March, 2017
I ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	3,535,762	-	3,535,762
(b) Other Non-Current Assets	-	-	-
2 Current Assets			
(a) Inventories	125,611,586		125,611,586
(b) Financial Assets			
(i) Trade Receivables	4,633,425	-	4,633,425
(ii) Cash and Cash Equivalents	5,435,316	-	5,435,316
(iii) Others Financial Assets	67,099	-	67,099
(c) Other Current Assets	288,323	(137,779)	150,544
Total Assets	<u>139,571,511</u>	<u>(137,779)</u>	<u>139,433,732</u>
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	135,692,300	-	135,692,300
(b) Other Equity	3,564,871	(137,779)	3,427,092
2 Liabilities			
Non-Current Liabilities			
(a) Provisions	23,659	-	23,659
3 Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	237,342	-	237,342
(ii) Other Financial Liabilities	49,585	-	49,585
(b) Provisions	3,754	-	3,754
Total of Equity and Liabilities	<u>139,571,511</u>	<u>(137,779)</u>	<u>139,433,732</u>

NOTES (CONTD.)

19.4 Reconciliation of Statement of Profit and Loss for the Year Ended 31st March,2017

PARTICULARS	Regrouped previous GAAP	Ind As Adjustment	As per Ind AS Year Ended 31st March, 2017
Income			
Revenue from Operations	2,815,172	-	2,815,172
Other Income	373,893	-	373,893
Total Income	<u>3,189,065</u>	-	<u>3,189,065</u>
Expenses			
Employee Benefits Expense	346,878	-	346,878
Depreciation and Amortisation Expense	4,656,884	(137,781)	4,519,103
Other expenses	3,323,427	-	3,323,427
Total Expenses	<u>8,327,189</u>	<u>(137,781)</u>	<u>8,189,408</u>
Profit/ (Loss) before Tax	(5,138,124)	-	(5,000,343)
Tax Expenses			
i Current tax	-	-	-
ii Deferred tax	-	-	-
Profit / (Loss) for the Year	<u>(5,138,124)</u>	<u>137,781</u>	<u>(5,000,343)</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Changes in revaluation Surplus			
Re-measurements of the defined benefit plans	-	-	-
Total Comprehensive Income for the Year	<u>(5,138,124)</u>	<u>-</u>	<u>(5,000,343)</u>

19.5 Notes to the Reconciliation

Particulars	Impact	As at 1st April, 2016	As at 31st March, 2017
a) Impact of unamortised preliminary expenses considered as operating expenses			
On Balance sheet			
Other Non-Current Assets	Decrease	(137,778)	-
Other Current Assets	Decrease	(137,781)	(137,779)
Other Equity	Decrease	(275,559)	(137,778)
On Statement of profit and loss			
Depreciation and Amortisation Expense	Decrease	-	(137,781)

20 EARNING PER SHARE (EPS)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
a) Net Profit/(loss) for the year	(3,111,387)	(5,000,343)
b) Weighted Average Shares Outstanding during the year	13,569,230	13,569,230
c) Basic/Diluted earnings per share	(0.23)	(0.37)

20.1 Auditor's Remuneration

	Current Year	Previous Year
	Rs.	Rs.
Audit Fees	30,000	30,000

20.2 In the opinion of the management of the company, profits of the company earned as a developer SEZ 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.)

20.3 Related Party Disclosures

i) **Holding Company**
Bhartiya International Ltd.

ii) **Enterprises owned or significantly influenced by key management personnel or their relatives**
Itopia Management Services (India) Pvt. Ltd.

	Current Year Rs.	Previous Year Rs.
iii) Transactions during the year with related parties:		
Service Charges Received		
Bhartiya International Ltd.	3,690,476	2,815,172
Ticketing		
Itopia Management Services (India) Pvt. Ltd.	-	52,245
iv) Balances Outstanding at the year end:		
Trade Receivable		
Bhartiya International Ltd.	4,225,314	4,633,425

20.4 Employee Benefits Plans

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

a) **Defined Contribution Plans**

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	-	-
b) Employees State Insurance Corporation	21,499	13,207

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, 2018
Discount Rate	7.50%
Salary Increase Rate	6.00%
In Service Mortality	IALM (2006-08)

ii) **Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Year Ended 31st March, 2018
Current Services Cost	9,355
Components to defined benefit costs recognised in profit or Loss	<u>9,355</u>
Remeasurement on the net defined benefit liability:	
Actuarial (gains)/ losses on obligation for the year	(6,178)
Net(Income)/Expenses for the year ended recognized in OCI	<u>(6,178)</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	26,836
---------------------------------------------	--------

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

Opening Defined Obligation	23,659
Current Service Cost	9,355
Actuarial (Gains)/ Losses	<u>(6,178)</u>
Closing Defined Benefit Obligation	<u>26,836</u>

NOTES (CONTD.)**Sensitivity Analysis**

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2018 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	22,567	32,093
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	32,121	22,476

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

20.5 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, 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	As at 31st March,2018			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	4,225,314	-	-	4,225,314
Cash & Cash Equivalents	5,164,175	-	-	5,164,175
Other Financial Assets	33,630	-	-	33,630
Financial Liabilities				
At Amortised Cost				
Trade Payables	236,375	-	-	236,375
Other Financial Liabilities	61,002	-	-	61,002

Particulars	As at 31st March,2017			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	4,633,425	-	-	4,633,425
Cash & Cash Equivalents	5,435,316	-	-	5,435,316
Other Financial Assets	67,099	-	-	67,099
Financial Liabilities				
At Amortised Cost				
Trade Payables	237,342	-	-	237,342
Other Financial Liabilities	49,585	-	-	49,585

NOTES (CONTD.)

Particulars	As at 1st April, 2016			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	4,790,024	-	-	4,790,024
Cash & Cash Equivalents	5,734,800	-	-	5,734,800
Other Financial Assets	36,832	-	-	36,832
Financial Liabilities				
At Amortised Cost				
Trade Payables	223,949	-	-	223,949
Other Financial Liabilities	71,364	-	-	71,364

20.6 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.

20.7 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 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.

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, 2018	31st March, 2017
Not due	-	-
Less than 6 month	4,225,314	4,633,425
More than 6 month	-	-

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

Particulars	As at 31st March, 2018			
	0-1 year	1-5 year	Beyond 5 year	Total
Trade Payable	236,375	-	-	236,375
Other current liabilities	61,002	-	-	61,002

Particulars	As at 31st March, 2017			
	0-1 year	1-5 year	Beyond 5 year	Total
Trade Payable	237,342	-	-	237,342
Other current liabilities	49,585	-	-	49,585

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.

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

Gaurav Singhal

Company Secretary
Mem. No. F6308

Amrishpal Singh

Managing Director
DIN: 02735647

Manoj Khattar

Director
DIN: 00694981

Gurugram, 21st May, 2018

DIRECTORS' 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, 2018.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2018 are as follows:

Particulars	2017-18	2016-17
Total Income	6,009,210	16,75,000
Expenditure	5,254,529	7,545,186
Profit/ (loss) for the year	7,54,681	(5,870,186)

(Amount in Rs.)

PERFORMANCE REVIEW

During the year under review, your Company achieved a turnover of Rs. 60 lacs as against Rs. 16.75 lacs in the previous year. The Net Profit after tax was reported at Rs.7.55 lacs as compared to losses of Rs. 58.70 lacs last year.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2018.

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.

EXTRACT OF ANNUAL RETURN

The details forming part of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, forms an integral part of this Report. The same is provided herewith as Annexure A.

DIRECTORS

The Board of Directors comprises of Mr. Manoj Khattar, C. L. Handa and Mr. Ashok Kumar Gadhok 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. C.L. Handa (DIN: 00928283), 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 2017-18, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the financial year 2017-18 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. C. L. Handa	Mr. A.K. Gadhok
25.05.2017	Present	Present	Present
30.09.2017	Present	Present	Present
25.12.2017	Present	Present	Present
31.03.2018	Present	Present	Present

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, if any, are provided in notes to accounts. Further, there are no material transactions and hence disclosure in Form AOC-2, is not required.

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, 2018, 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, 2018 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

The Auditors of the Company, M/s. Sushil Poddar & Co., Chartered Accountants (Registration No. 014969N) hold office upto 13th Annual General Meeting. Your directors have recommended their ratification in the ensuing Annual General Meeting.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2018-19.

PARTICULARS OF EMPLOYEES:

During the financial year 2017-18, the Company had 1 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 2018 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**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 information on foreign exchange earnings and outgo, if any, are contained in notes to the accounts.

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.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2018 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 the employees in taking the Company forward.

For and on behalf of the Board

New Delhi, 28th May, 2018

C.L. Handa
Director
DIN:00928283

Manoj Khattar
Director
DIN:00694981

ANNEXURE-A
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN : U17120DL2009PLC193608
Registration Date : 26/08/2009
Name of the Company : Bhartiya Fashion Retail Ltd.
Category Sub-Category of Company : Public Limited Company
Address of the Regd. Office and contact details : E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
Whether listed company : N.A.
Name, Address and Contact details of Registrar and Transfer Agent, if any : N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. N.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to total turnover of the company
1	Fashion Design related to textiles wearing apparels and other fashion goods	7410	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai-600048	L74899TN1987PLC111744	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter(s)									
Indian									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	5,00,000	5,00,000	100	-	5,00,000	5,00,000	100	-
e. Banks/Fiis	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	5,00,000	500,000	100	-	5,00,000	500,000	100	-
Foreign									
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/FIIS	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (2) A	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	5,00,000	500,000	100	-	5,00,000	5,00,000	100	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Public Shareholding Institutions	-	-	-	-	-	-	-	-	-
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks / FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
Non-Institutions	-	-	-	-	-	-	-	-	-
a. Bodies Corp.	-	-	-	-	-	-	-	-	-
b. Indian	-	-	-	-	-	-	-	-	-
c. Overseas	-	-	-	-	-	-	-	-	-
d. Individuals	-	-	-	-	-	-	-	-	-
e. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
f. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
g. Others	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	5,00,000	500,000	100	-	5,00,000	5,00,000	100	-

(ii) Shareholding of Promoters

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share- holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Bhartiya International Ltd.	5,00,000	100	-	5,00,000	100	-	-
	TOTAL	5,00,000	100	-	5,00,000	100	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. N.	For each of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus / sweat equity etc.			- NIL -	
3	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in top ten Shareholders Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus / sweat equity etc.			- NIL -	
	At the End of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/ sweat equity etc.			- NIL -	
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				NIL
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross Salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission as % of profit others, specify...		
5.	Others, please specify		
	Total(A)		
	Ceiling as per the Act		

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors Fee for attending board committee meetings Commission Others, please specify	- NIL -	
	Total (1)		
2.	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify	- NIL -	
	Total (2)		
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel Other than Managing Director/Manager/Whole-Time Director

(Amount in Rs.)

S. N.	Particulars of Remuneration	Key Managerial Personnel			
		MD	Company Secretary	CFO	Total
1.	Gross salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission as % of profit others, specify...				
5.	Others, please specify				
	Total				

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

INDEPENDENT AUDITORS' REPORT

**To,
The Members of
Bhartiya Fashion Retail Ltd.**

Report on the Financial Statements

We have audited the accompanying financial statements of Bhartiya Fashion Retail Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2018, 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.

Management's Responsibility for the Ind As 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 state of affairs, profit\loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 31st March, 2018 and its Profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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) The disclosures regarding details of specified bank notes held and transacted during 8th November,2016 to 30st December,2016 has not been made since the requirement does not pertain to financial year ended 31st March,2018.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem.No. 094479

New Delhi, 28th May, 2018

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, 2018, we report that:

- i. The company does not have any fixed assets. Accordingly provisions of paragraph 3(i) of the Order is not applicable to the company.
- ii. The company does not have any Inventory. Accordingly provisions of paragraph 3(ii) of the Order is not applicable to the company.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. The company has not given any loans or guarantees/made any investments within the meaning of Section 185 & 186 of the Companies Act 2013
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. According to the records of the company, the company is generally regular in depositing with the appropriate

authorities undisputed statutory dues including Income Tax, GST & Cess. We are informed that the provision of Employees Provident Funds and Miscellaneous Provisions Act, 1956, Employees State Insurance Act, 1948 are not applicable to the company and that the operations of the company during the year, did not give rise to any liability for the Sales Tax, Excise Duty, Custom Duty, Service Tax, & Value Added Tax.

- b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, Goods and services tax, Income Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to information and explanations given to and based on our examination of the records of the company, the Company has not entered into transaction with related parties.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 28th May, 2018

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 Ltd. ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for SUSHIL PODDAR & CO.

Chartered Accountants
Firm's Registration No. 014969N

S.K. PODDAR

Partner
Mem. No. 094479

New Delhi, 28th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	Amount in Rs.		
		As at 31st March, 2018	As at 31st March, 2017	As at 1st April 2016
I Assets				
1 Current Assets				
(a) Financial Assets				
(i) Trade Receivable	2	136,780	-	-
(ii) Cash and Cash Equivalents	3	396,920	323,455	255,197
(b) Other Current Assets	4	743,805	167,500	-
Total Assets		<u>1,277,505</u>	<u>490,955</u>	<u>255,197</u>
II Equity And Liabilities				
1 Equity				
(a) Equity Share Capital	5	5,000,000	5,000,000	500,000
(b) Other Equity	6	(5,370,308)	(6,124,989)	(254,803)
2 Liabilities				
Non - Current Liabilities				
(a) Provisions	7	138,748	-	-
Current Liabilities				
(a) Financial Liabilities				
(i) Other Financial Liabilities	8	1,352,710	1,615,944	10,000
(b) Provisions	9	156,355	-	-
Total of Equity and Liabilities		<u>1,277,505</u>	<u>490,955</u>	<u>255,197</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.

Chartered Accountants

Firm Registration No. 014869N

For and on behalf of the Board**S. K. Poddar****Partner**

Mem. No. 094479

C.L.Handa

Director

DIN: 00928283

Manoj Khattar

Director

DIN: 00694981

New Delhi, 28th May, 2018

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

Particulars	Note No.	Amount in Rs.	
		Year Ended 31st March, 2018	Year Ended 31st March, 2017
INCOME			
Revenue from Operations	10	6,000,000	1,675,000
Other Income	11	9,210	-
Total Income		<u>6,009,210</u>	<u>1,675,000</u>
EXPENSES			
Depreciation and Amortisation Expenses	12	-	3,648,823
Employee Benefits Expense	13	5,235,557	3,855,217
Other Expenses	14	18,972	41,146
Total Expenses		<u>5,254,529</u>	<u>7,545,186</u>
Profit/ (Loss) before Tax		754,681	(5,870,186)
TAX EXPENSES			
i Current Tax		143,805	-
ii Deferred Tax		-	-
iii Mat Tax		(143,805)	-
Profit / (Loss) for the Year		<u>754,681</u>	<u>(5,870,186)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		<u>754,681</u>	<u>(5,870,186)</u>
Earnings Per Equity Share of Face Value			
Basic (in Rupees)		1.51	(11.74)
Diluted (in Rupees)		1.51	(11.74)
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. 014869N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

C.L.Handa

Director

DIN: 00928283

Manoj Khattar

Director

DIN: 00694981

New Delhi, 28th May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	Equity Capital Amount (Rs)
a) Equity Share Capital	5	
Balance as at 1st April, 2016		500,000
Change in Equity Share Capital during the Year 2016-17		4,500,000
Balance as at 31st March, 2017		5,000,000
Change in Equity Share Capital during the Year 2017-18		-
Balance as at 31st March, 2018		5,000,000
Particulars	Note No.	Retained Earning Amount (Rs)
b) Other Equity	6	
As at 1st April, 2016		(254,803)
Profit/(Loss) for the Year 2016-17		(5,870,186)
Other Comprehensive Income for the Year		-
As at 31st March, 2017		(6,124,989)
Profit/(Loss) for the Year 2017-18		754,681
Other Comprehensive Income for the Year		-
Balance as at 31st March, 2018		(5,370,308)

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014869N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

C.L. Handa

Director

DIN: 00928283

Manoj Khattar

Director

DIN: 00694981

New Delhi, 28th May, 2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particular	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	754,681	(5,870,186)
Adjustment for :		
Operating profit/(loss) before Working Capital Changes	<u>754,681</u>	<u>(5,870,186)</u>
Movements in Working Capital:		
Decrease/ (Increase) in Other Current Assets	(432,500)	(167,500)
Decrease/ (Increase) in Trade Receivable	(136,780)	-
Increase/ (Decrease) in other Current Financial Liabilities	(263,234)	1,605,944
Increase/ (Decrease) in Provisions	151,298	-
Cash (used in) / Generated from Operations	<u>73,465</u>	<u>(4,431,742)</u>
Income Tax Paid (Net)		
Net Cash (used in)/ Generated from Operating Activities (A)	<u>73,465</u>	<u>(4,431,742)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES	-	-
Net Cash from/ (used in) Investing Activities (B)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Proceed from Share Capital	-	4,500,000
Net Cash from/ (used in) Financing Activities (C)	<u>-</u>	<u>4,500,000</u>
Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	73,465	68,258
Cash and Cash Equivalents as at beginning of the Year	323,455	255,197
Cash and Cash Equivalents as at the end of the Year	<u>396,920</u>	<u>323,455</u>
Components of Cash and Cash Equivalents:		
Cash on Hand	48,217	50,396
Balances with Banks	348,703	273,059
Cash and Cash Equivalents in Cash Flow Statement	<u>396,920</u>	<u>323,455</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.

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. 014869N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

C.L. Handa

Director

DIN: 00928283

Manoj Khattar

Director

DIN: 00694981

New Delhi, 28th May, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

Bhartiya Fashion Retail Ltd. ('the Company') promoted by Bhartiya International Ltd. 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 and also designing services.

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 for the year ended 31st March, 2018 are the first financial statement, the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative period information.

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, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. 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 FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

1.4 Cash & Cash Equivalentents

The Company's cash and cash equivalentents 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.

1.5 Revenue Recognition

Income from service charge is recognised on accrual basis

1.6 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.

NOTES (CONTD.)**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.

1.7 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.

1.8 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

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).

De-recognition

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.

2. TRADE RECEIVABLE

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Trade receivable	136,780	-	-
TOTAL	136,780	-	-

3. CASH AND CASH EQUIVALENT

a) Balances with Banks			
In current accounts	348,703	273,059	234,169
b) Cash on Hand	48,217	50,396	21,028
	396,920	<u>323,455</u>	<u>255,197</u>

4. OTHER CURRENT ASSETS

a) TDS\Advance tax	600,000	167,500	-
b) Mat credit entitlement	143,805		
TOTAL	743,805	<u>1,67,500</u>	-

5. SHARE CAPITAL

Authorised Share Capital

a) 5,00,000 (Previous Year 500,000) Equity Shares of Rs.10/- each	5,000,000	5,000,000	5,000,000
	5,000,000	<u>5,000,000</u>	<u>5,000,000</u>

Issued, Subscribed & Paid up :

a) 500,000 (Previous Year 500,000) Equity Shares of Rs.10/- each, Fully Paid Up	5,000,000	5,000,000	500,000
	5,000,000	<u>5,000,000</u>	<u>500,000</u>

5.1 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at	As at	As at	As at
	31st March, 2018 No. of Shares	31st March, 2018 Amount(Rs.)	31st March, 2017 No. of Shares	31st March, 2017 Amount(Rs.)
Shares outstanding at the beginning of the year	500,000	5,000,000	50,000	500,000
Shares Issued during the year	-	-	450,000	4,500,000
Shares outstanding at the end of the year	500,000	5,000,000	500,000	5,000,000

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.

NOTES (CONTD.)

5.3 The details of Shareholders holding more than 5% shares

Name of the Shareholders	Amount in Rs.					
	As at 31st March, 2018 No. of Shares	As at 31st March, 2018 % of Holding	As at 31st March, 2017 No. of Shares	As at 31st March, 2017 % of Holding	As at 1st April, 2016 No. of Shares	As at 1st April, 2016 % of Holding
Bharitya International Ltd.	500,000	100.00	500,000	100.00	50,000	100.00

5.4 Shares held by Holding Company and subsidiaries of Holding Company in aggregate

Particulars	As at 31st March, 2018 No. of Shares	As at 31st March, 2017 No. of Shares	As at 1st April, 2016 No. of Shares
(a) Shares held by holding company, Bharitya International Ltd.	500,000	500,000	50,000

6. OTHER EQUITY

Particulars	Retained Earning	Total
Balance as at 1st April 2016	(254,803)	(254,803)
Profit for the year	(5,870,186)	(5,870,186)
Other comprehensive income for the year	-	-
Balance as at 31st March, 2017	(6,124,989)	(6,124,989)
Profit for the year	754,681	754,681
Other comprehensive income for the year	-	-
Balance as at 31st March, 2018	(5,370,308)	(5,370,308)

7. NON-CURRENT PROVISION

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Provision for Employee Benefit	138,748	-	-
TOTAL	138,748	-	-

8. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Expenses Payable	10,000	10,000	10,000
(b) Statutory Dues Payable	1,140,970	396,595	-
(c) Due to Employee	201,740	470,655	-
(d) Other Payable	-	738,694	-
TOTAL	1,352,710	1,615,944	10,000

9. CURRENT PROVISION

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(a) Provision for Employee Benefit	12,550	-	-
(b) Provision for Tax	143,805	-	-
TOTAL	156,355	-	-

10 REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
a) Designing Charges	6,000,000	1,675,000
TOTAL	6,000,000	1,675,000

11. OTHER INCOME

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
a) Interest Income	9,210	-
TOTAL	9,210	-

NOTES (CONTD.)

12. DEPRECIATION AND AMORTISATION

Particulars	Amount in Rs.	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Amortisation	-	3,648,823
TOTAL	-	3,648,823

13 EMPLOYEE BENEFIT EXPENSES

(a) Salary & Allowances	5,096,809	3,855,217
(b) Contribution to Provident & Other Fund	138,748	-
TOTAL	5,235,557	3,855,217

14 OTHER EXPENSES

(a) Audit Fees	10,000	10,000
(b) Bank Charges	884	849
(c) Legal & Professional	-	20,815
(d) Rates Taxes & Duties	6,229	9,482
(e) Misc. Expense	1,859	-
TOTAL	18,972	41,146

15 FIRST-TIME ADOPTION OF IND AS

15.1 The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

15.2 Reconciliation of Balance sheet as at 1st April, 2016

Particulars	Note No.	Regrouped Previous GAAP	Ind AS Adjustment	As per Ind AS as at 1st April, 2016
I Assets				
1 Non - Current Assets				
(a) Other Non-Current Assets	a	25,460	(25,460)	-
2 Current Assets				
(a) Financial Assets				
(i) Trade Receivable		-	-	-
(ii) Cash and Cash Equivalents		255,197	-	255,197
(b) Other Current Assets	a	12,730	(12,730)	-
Total Assets		293,387	(38,190)	255,197
II Equity and Liabilities				
1 Equity				
(a) Equity Share Capital		5,000,000	-	500,000
(b) Other Equity	q	(216,613)	(38,190)	(254,803)
2 Liabilities				
Non - Current Liabilities				
(a) Provisions		-	-	-
Current Liabilities				
(a) Financial Liabilities				
(i) Other Financial Liabilities		10,000	-	10,000
(b) Provisions		-	-	-
Total of Equity and Liabilities		293,387	(38,190)	255,197

NOTES (CONTD.)

15.3 Reconciliation of Balance Sheet as at 31st March, 2017

Particulars	Note No.	Regrouped Previous GAAP	Amount in Rs.	
			Ind As Adjustment	As per Ind AS as at 31st March, 2017
I ASSETS				
1 Non-Current Assets				
(a) Other Non-Current Assets	a	12,730	(12,730)	-
2 Current Assets				
(a) Financial Assets				
(i) Trade Receivable				323,455
(ii) Cash and Cash Equivalents		323,455	-	323,455
(b) Other Current Assets		180,230	(12,730)	1,67,500
Total Assets		<u>516,415</u>	<u>(25,460)</u>	<u>490,955</u>
II EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		5,000,000	-	5,000,000
(b) Other Equity		(2,450,706)	(3,674,283)	(6,124,989)
2 Liabilities				
Current Liabilities				
(a) Financial Liabilities				
(i) Other Financial Liabilities		1,615,944	-	1,615,944
Total of Equity and Liabilities		<u>4,165,238</u>	<u>(3,674,283)</u>	<u>490,955</u>

15.4 Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Regrouped Previous GAAP	Ind As Adjustment	As per Ind AS
			Year Ended 31st March, 2017
INCOME			
Revenue from Operations			
Other Income	1,675,000	-	1,675,000
Total Income	<u>1,675,000</u>	-	<u>1,675,000</u>
EXPENSES			
Employee Benefits Expense	3,855,217	-	3,855,217
Depreciation and Amortisation Expense	12,730	3,636,093	3,648,823
Other expenses	41,146	-	41,146
Total Expenses	<u>3,909,093</u>	<u>3,636,093</u>	<u>7,545,186</u>
Profit/ (Loss) before Tax	(2,234,093)		(5,870,186)
Tax expenses			
i Current tax	-		-
ii Deferred tax	-		-
Profit / (Loss) for the year from continuing Operation	(2,234,093)	(3,636,093)	(5,870,186)
Other Comprehensive Income			
Total Comprehensive Income for the Year	<u>(2,234,093)</u>	<u>(3,636,093)</u>	<u>(5,870,186)</u>

15.5 Notes to the Reconciliation

Particulars	Impact	As at	As at
		1st April, 2016	31st March, 2017
a) Impact of unamortised preliminary expenses considered as operating expenses			
On Balance sheet			
Other Non-Current Assets	Decrease	(25,460)	(12,730)
Other Current Assets	Decrease	(12,730)	(12,730)
Other Equity	Decrease	(38,190)	-
On Statement of profit and loss			
Depreciation and Amortisation Expense	Decrease	-	(12,730)
b) Impact of unamortised Brand/Project Related expenses considered as Operating Expenses			
On Balance Sheet			
Other Current Assets	Decrease	-	(3,648,823)
On Statement of Profit and Loss			
Depreciation and Amortisation Expense	Increase	-	3,648,823

NOTES (CONTD.)

16 EARNING PER SHARE (EPS)

Particulars	Amount in Rs.	
	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
a) Net Profit/(loss) for the year	754,681	(5,870,186)
b) Weighted average number of Equity Shares outstanding during the year	500,000	500,000
c) Basic/Diluted Earning per share Rs.(a/b)	1.51	(11.74)

16.1 Auditor's Remuneration

Audit Fees	10,000	10,000
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16.2 Related party disclosures as per IND AS-24

i) Holding Company:

Bhartiya International Ltd.

ii) Key Management Personnel:

Directors

Manoj Khattar

C.L. Handa

A.K. Gadhok

iii) Transactions during the year with related parties

	2017-18	2016-17
1 Service Charges received Bhartiya International Ltd.	6,000,000	1,675,000

iv) Balances Outstanding at the year end:

1 Other Payable

Bhartiya International Ltd.	-	738,694
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2 Other Receivable

Bhartiya International Ltd.	136,780	-
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16.3 Employee Benefits Plans

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

a) Defined Contribution Plans

Particulars	Year Ended 31 st March, 2018	Year Ended 31 st March, 2017
-------------	--------------------------------------------	--------------------------------------------

Detail of amount recognised as expense for defined contribution plans is given below:

a) Provident fund*	-	-
b) Employees State Insurance Corporation	-	-

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, 2018
Discount rate	7.50%
Salary increase rate	10.00%
In service mortality	IALM (2006-08)

ii) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Year Ended 31 st March, 2018
Current Services Cost	92,498
Past Services Cost	46,250

NOTES (CONTD.)

iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined

Particulars	Year Ended 31st March, 2018
Present Value of Defined Benefit Obligation	138,748

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

Opening defined obligation	-
Current service cost	92,498
Past services cost	46,250
Closing defined benefit obligation	<u>138,748</u>

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2018 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	114,705	168,494
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	167,455	115,001

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

16.4 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	As at 31st March, 2018			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	136,780	-	-	136,780
Cash & Cash Equivalents	396,920	-	-	396,920
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	1,352,710	-	-	1,352,710

Particulars	As at 31st March, 2017			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Cash & Cash Equivalents	323,455	-	-	323,455
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	1,615,944	-	-	1,615,944

NOTES (CONTD.)

Particulars	As at 1st April, 2016			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Cash & Cash Equivalents	255,197	-	-	255,197
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	10,000	-	-	10,000

16.5 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.

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 March 31, 2018	As at March 31, 2017
Not due	-	-
Less than 6 month	136,780	-
More than 6 month	-	-

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

Particulars	As at 31st March, 2018			
	0-1 year	1-5 year	Beyond 5 year	Total
Other current liabilities	1,352,710	-	-	1,352,710

Particulars	As at 31st March, 2017			
	0-1 year	1-5 year	Beyond 5 year	Total
Other current liabilities	1,615,944	-	-	1,615,944

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.

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014869N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

C.L.Handa

Director

DIN: 00928283

Manoj Khattar

Director

DIN: 00694981

New Delhi, 28th May, 2018

DIRECTORS' 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, 2018.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2018 are as follows:

Particulars	2017-18	2016-17
Income	-	1,323
Expenditure	9,488	31,605
Profit/ (loss) for the year	(9,488)	(30,282)

(Amount in Rs.)

PERFORMANCE REVIEW

The Company has not carried out any business activity during the year under review.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2018.

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.

EXTRACT OF ANNUAL RETURN

The details forming part of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, forms an integral part of this Report. The same is provided herewith as **Annexure A**.

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. Sandeep Seth (DIN: 01408624), Director, retires by rotation at the third Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2017-18, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2017-18 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. Sandeep Seth	Mr. Ashok Kumar Gadhok
27.05.2017	Present	Present	Present
04.09.2017	Present	Present	Present
04.12.2017	Present	Present	Present
23.02.2018	Present	Present	Present

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 1st Annual General Meeting upto 6th Annual General Meeting. Your directors have recommended their ratification in the ensuing Annual General Meeting.

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 2018-19.

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, if any are given in the notes to Financial Statements.

RELATED PARTY TRANSACTIONS

There were no related party transactions for the financial year 2017-18.

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, 2018, 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, 2018 and of the loss 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.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2018 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

New Delhi, 28th May, 2018

A. K. Gadhok
Director
DIN. 01254410

Manoj Khattar
Director
DIN. 00694981

ANNEXURE-A
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN : U70100TN2015PLC101707
 Registration Date : 06/08/2015
 Name of the Company : Bhartiya Urban Infrastructure Ltd.
 Category Sub-Category of Company : Public Limited Company
 Address of the Regd. Office and contact details : 56/7, Nallambakkam Village,
 (Via- Vandalur), Chennai-600048
 Whether listed company : N.A.
 Name, Address and Contact details of Registrar and Transfer Agent, if any : N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:--

S.N.	Name and Description of Main Products/Services	NIC Code of the Product/ service	% to total turnover of the company
1	The Company is yet to start its Business Activities		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai – 600 048.	L74899TN1987PLC111744	Holding	100%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Shareholding

Category Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter (s)									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	50,000	50,000	100	–	50,000	50,000	100	–
e) Banks/Fiis	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-Total (A) (1)	–	50,000	50,000	100		50,000	50,000	100	–

Category Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
c) Individuals	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	50,000	50,000	100	-	50,000	50,000	100	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture	-	-	-	-	-	-	-	-	-
f) Capital Funds	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) FIs	-	-	-	-	-	-	-	-	-
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others									
Sub-Total (B) (2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100	-	50,000	50,000	100	-

ii) Shareholding of Promoters

S. N.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Bhartiya International Ltd.	50,000	100	-	50,000	100	-	-
	TOTAL	50,000	100	-	50,000	100	-	-

iii) Change in Promoters' Shareholding please specify, if there is no change)

S. N.	For each of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.				
	At the End of the year				

No Changes

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.			- NIL -	
	At the End of the year				

v) Shareholding of Directors and Key Managerial Personnel:

S. N.	Shareholding of each Directors and each key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.			- NIL -	
	At the End of the year				

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. N.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1.	Gross Salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		- NIL -
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors:

S. N.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors Fee for attending board committee meetings Commission Others, please specify		- NIL -
	Total (1)		

S. N.	Particulars of Remuneration	Name of Directors	Total Amount
2.	Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify		- NIL -
	Total (2)		
	Overall Ceiling as per the Act		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

S. N.	Particulars of Remuneration	Key Managerial Personnel			
		MD	Company Secretary	CFO	Total
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total				- NIL -

viii) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2018.

INDEPENDENT AUDITORS' REPORT

**To,
The Members of
Bhartiya Urban Infrastructure Ltd.**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bhartiya Urban Infrastructure Ltd. ('the Company'), which comprise the balance sheet as at 31st March, 2018, 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 a summary of significant accounting policies and other explanatory information.

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 state of affairs, profit/loss and other comprehensive income, statement of changes in equity and cash flow statement of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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 31st March, 2018 and its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 balance sheet, the Statement of Profit and Loss(including other comprehensive income) the statement of changes in equity and the statement of 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 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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) The disclosures regarding details of specified bank notes held and transacted during 8th November,2016 to 30st December,2016 has not been made since the requirement does not pertain to financial year ended 31st March,2018.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 28th May, 2018

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, 2018, we report that:

- i. The company does not have any fixed assets. Accordingly provisions of paragraph 3(i) of the Order is not applicable to the company.
- ii. The company does not have any Inventory. Accordingly provisions of paragraph 3(ii) of the Order is not applicable to the company.
- iii. According to information and explanation given to us and on the basis of our examination of the books of accounts, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv. The company has not given any loans or guarantee/made any investments within the meaning of Section 185 & 186 of the Companies Act 2013
- v. The Company has not accepted any deposits from the public within the meaning of Section 73,74,75 and 76 of the Act and Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013, for the company.
- vii. According to the information and explanations given to us and the records of the company examined by us:
 - a. According to the records of the company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Cess. We are informed that the provision of Employees Provident Funds and Miscellaneous Provisions Act, 1956, Employees State Insurance Act, 1948 are not applicable to the company and that the operations of the company during the year, did not give rise to any liability for the Sales Tax, GST, Excise Duty, Custom Duty, Service Tax, & Value Added Tax.

- b. According to the information and explanations given to us, there are no dues in respect of Sale Tax/VAT, GST, Income Tax, Service Tax, Excise Duty, Custom Duty and Cess, which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to information and explanations given to and based on our examination of the records of the company, the Company has not entered into transaction with related parties.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 28th May, 2018

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 Ltd. ("the Company") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

New Delhi, 28th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April 2016
I Assets				
1 Current Assets				
(a) Financial Assets				
(i) Cash and Cash Equivalents	2	<u>297,122</u>	<u>300,860</u>	<u>340,000</u>
Total Assets		<u>297,122</u>	<u>300,860</u>	<u>340,000</u>
II Equity And Liabilities				
1 Equity				
(a) Equity Share Capital	3	500,000	500,000	500,000
(b) Other Equity	4	(213,628)	(204,140)	(173,858)
2 Liabilities				
Current Liabilities				
(a) Financial Liabilities				
(i) Other Financial Liabilities	5	<u>10,750</u>	<u>5,000</u>	<u>13,858</u>
Total of Equity and Liabilities		<u>297,122</u>	<u>300,860</u>	<u>340,000</u>

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

Particulars	Note No.	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Income			
Revenue from Operations		-	-
Other Income	6	-	<u>1,323</u>
Total Income		-	<u>1,323</u>
EXPENSES			
Other Expenses	7	<u>9,488</u>	<u>31,605</u>
Total Expenses		<u>9,488</u>	<u>31,605</u>
Profit/ (Loss) before Tax		(9,488)	(30,282)
Tax Expenses			
i Current Tax		-	-
ii Deferred Tax		-	-
Profit / (Loss) for the year		(9,488)	(30,282)
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		<u>(9,488)</u>	<u>(30,282)</u>
Earnings per Equity Share of Rs. 10/- each			
Basic/Diluted (in Rs.)		(0.19)	(0.61)

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. 014869N

S. K. Poddar

Partner
Mem.No. 094479

New Delhi, 28th May, 2018

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, 2018

	Equity Capital Amount (Rs)
a) Equity Share Capital	
Balance as at 1st April, 2016	500,000
Change in equity share capital during the year 2016-17	-
Balance as at 31st March, 2017	500,000
Change in equity share capital during the year 2017-18	-
Balance as at 31st March, 2018	500,000
	Retained Earning Amount (Rs)
b) Other Equity	
As at 1st April, 2016	(173,858)
Profit/(Loss) for the year 2016-17	(30,282)
As at 31st March, 2017	(204,140)
Profit/(Loss) for the year 2017-18	(9,488)
Balance as at 31st March, 2018	(213,628)

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and exception items	(9,488)	(30,282)
Adjusted for:	-	-
Operating profit before working capital changes	<u>(9,488)</u>	<u>(30,282)</u>
Movements in working capital:		
Increase/ (decrease) in other liabilities	5,750	(8,858)
Cash Generated from Operations	<u>(3,738)</u>	<u>(39,140)</u>
Income Tax Paid (Net)	-	-
Net Cash (used in)/ Generated from Operating Activities - (A)	<u>(3,738)</u>	<u>(39,140)</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
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)	(3,738)	(39,140)
Cash and Cash Equivalents - Opening Balance	300,860	340,000
Cash and Cash Equivalents - Closing Balance	<u>297,122</u>	<u>300,860</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. 014869N

S. K. Poddar

Partner
Mem.No. 094479

New Delhi, 28th May, 2018

For and on behalf of the Board

A.K. Gadhok
Director
DIN: 01254410

Manoj Khattar
Director
DIN: 00694981

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 CORPORATE INFORMATION

Bhartiya Urban Infrastructure Ltd. ('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 and its 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.

These financial statements for the year ended 31st March, 2018 are the first financial statement , the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017 , the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended 31st March, 2017 and the opening Balance Sheet as at 1st April, 2016 have been restated in accordance with Ind AS for comparative period information.

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, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'. 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 FIRST TIME ADOPTION OF IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

NOTES (CONTD.)

2. CASH AND CASH EQUIVALENT

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
i) Balances with Banks			
In Current Accounts	277,100	280,670	340,000
ii) Cash on Hand	20,022	20,190	-
TOTAL	297,122	300,860	340,000

3. SHARE CAPITAL

Authorised Share Capital

a) 500,000 (31st March, 2017: 500,000, 1st April 2016: 500,000) Equity Shares of Rs.10/- each	5,000,000	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>

Issued, Subscribed & Paid up :

a) 50,000 (31st March, 2017: 50,000, 1st April 2016: 50,000) Equity Shares of Rs.10/- each, Fully Paid Up	500,000	500,000	500,000
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

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

Particulars	As at		As at	
	31st March, 2018	31st March, 2018	31st March, 2017	31st March, 2017
	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Shares outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500,000	50,000	500,000

3.2 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.

3.3 The details of Shareholders holding more than 5% shares

Name of the share holders	As at		As at		As at 1st April,	
	31st March, 2018	31st March, 2018	31st March, 2017	31st March, 2017	2016	2016
	No. of Shares	% of Holding	No. of Shares	% of Holding	% of Holding	% of Holding
Bhartiya International Ltd.	50,000	100.00	50,000	100.00	50,000	100.00

3.4 Shares held by Holding Company and Subsidiaries of Holding Company in aggregate

Particulars	As at		As at	
	31st March, 2018	31st March, 2017	31st March, 2017	1st April, 2016
	No. of Shares	No. of Shares	No. of Shares	No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	50,000	50,000	50,000	50,000

4. OTHER EQUITY

Particulars	Retained Earning	Total
Balance as at 1st April 2016	(173,858)	(173,858)
Profit for the year	(30,282)	(30,282)
Other comprehensive income for the year	-	-
Balance as at 31st March, 2017	(204,140)	(204,140)
Profit for the year	(9,488)	(9,488)
Other comprehensive income for the year	-	-
Balance as at 31st March,2018	(213,628)	(213,628)

NOTES (CONTD.)**5. OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	Amount in Rs.		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April 2016
Expenses payable	10,750	5,000	13,858
TOTAL	10,750	5,000	13,858

6. OTHER INCOME

Particulars	Year Ended	
	31st March, 2018	31st March, 2017
Misc. Income	-	1,323
TOTAL	-	1,323

7. OTHER EXPENSES

(a) Audit fees	5,000	5,000
(b) Professional Charges	-	16,675
(c) Rates & Taxes	4,488	9,930
TOTAL	9,488	31,605

8. NOTE TO ACCOUNTS

8.1 Earning per share computed in accordance with the IND AS -33 is as under:

a) Net Profit/(loss) after tax available for equity shareholders	(9,488)	(30,282)
b) Weighted average number of Equity Shares of Rs. 10/- each	50,000	50,000
c) Basic/Diluted Earning per share Rs.(a/b)	(0.19)	(0.61)

8.2 No Provision for Income Tax / MAT as per the provisions of Income Tax Act, 1961 is required to be made in view of loss during the year.

8.3 Auditor's Remuneration

	Year Ended	
	31st March, 2018	31st March, 2017
Audit Fees	5,000	5,000

8.4 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.

8.5 Debit and credit balances are subject to their confirmation.

8.6 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 and 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.

9. FIRST-TIME ADOPTION OF IND AS

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

NOTES (CONTD.)

9.1 Reconciliation of Balance sheet as at 1st April, 2016

Particular	Note No.	Regrouped Previous GAAP	Amount in Rs.	
			Ind AS Adjustment	As per Ind AS as at 1st April, 2016
ASSETS				
1 Non - Current Assets				
(a) Other Non-Current Assets		135,086	(135,086)	-
2 Current Assets				
(a) Financial Assets				
(i) Cash and cash equivalents		340,000	-	340,000
(b) Other Current Assets		16,886	(16,886)	-
Total Assets		<u>491,972</u>	<u>(151,972)</u>	<u>340,000</u>
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital		500,000	-	500,000
(b) Other Equity	8.7	(21,886)	(151,972)	(173,858)
2 Liabilities				
Current Liabilities				
(a) Financial Liabilities				
(i) Other financial liabilities		13,858	-	13,858
Total of Equity and Liabilities		<u>491,972</u>	<u>151,972</u>	<u>340,000</u>

9.2 Reconciliation of Balance Sheet as at 31st March, 2017

Particular	Note No.	Regrouped Previous GAAP	Amount in Rs.	
			Ind AS Adjustment	As per Ind AS as at 1st April, 2017
Assets				
1 Non - Current Assets				
(a) Other Non-Current Assets	9.4	118,200	(118,200)	-
2 Current Assets				
(a) Financial Assets				
(i) Cash and cash equivalents		300,860	-	300,860
(b) Other Current Assets	9.4	16,886	(16,886)	-
Total Assets		<u>435,946</u>	<u>(135,086)</u>	<u>300,860</u>
Equity and Liabilities				
1 Equity				
(a) Equity Share Capital		500,000	-	500,000
(b) Other Equity	9.4	(69,054)	135,086	(204,140)
2 Liabilities				
Current Liabilities				
(a) Financial Liabilities				
(i) Other financial liabilities		5,000	-	5,000
Total of Equity and Liabilities		<u>435,946</u>	<u>(135,086)</u>	<u>300,860</u>

NOTES (CONTD.)

9.3 Reconciliation of Statement of Profit and Loss for the Year ended 31st March, 2017

Particulars	Note No.	Year Ended 31st March, 2017	Ind AS Impact	Amount in Rs.
				As per Ind AS Year Ended 31st March, 2017
Income				
Revenue from Operations				
Other Income		1,323	-	1,323
Total Income		<u>1,323</u>	-	<u>1,323</u>
Expenses				
Depreciation and Amortisation Expense	9.4	16,886	(16,886)	-
Other Expenses		31,605	-	31,605
Total Expenses		<u>(47,168)</u>	<u>(16,886)</u>	<u>(30,282)</u>
Profit/ (Loss) before Tax				
Tax Expenses				
i Current Tax		-	-	-
ii Deferred Tax		-	-	-
Profit / (Loss) for the year		<u>(47,168)</u>	<u>(16,886)</u>	<u>(30,282)</u>
Other Comprehensive Income				
Total Comprehensive Income for the Year		<u>(47,168)</u>	<u>(16,886)</u>	<u>(30,282)</u>

9.4 Notes to the Reconciliation

Particulars	As at 31st March, 2017
a) Impact of unamortised preliminary expenses considered as operating expenses	
On Balance sheet	
Other Non-Current Assets	(118,200)
Other Current Assets	(16,886)
Other Equity	(135,086)
On Statement of profit and loss	
Depreciation and Amortisation Expense	(16,886)

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014869N

S. K. Poddar

Partner

Mem.No. 094479

New Delhi, 28th May, 2018

For and on behalf of the Board**A.K. Gadhok**

Director

DIN: 01254410

Manoj Khattar

Director

DIN: 00694981

DIRECTORS' REPORT

The Director hereby presents his report together with the audited financial statements of the Company for the year ended 31st March, 2018.

Principal Activity

The Company is engaged in the export and import of garments, bags and related products.

Financial Statements

The results for the year ended 31st March, 2018 are set out in the statement of comprehensive income. The statement of financial position of the Company as at 31st March, 2018 is set out in the Balance Sheet.

Director

The director who held office during the period beginning with the end of the financial year and ending on the date of this report is as follows:

Ms. Wenjian Zhang resigned on 12th February, 2018. Liu Qiongli appointed on 12th February, 2018.

In accordance with the Company's Articles of Association, the director shall remain in office during the ensuing year.

Directors' Interest

At no time during the financial year or at the end of the financial year was the Company or its parent company, or fellow subsidiaries a party to any arrangements or shadow directors, if any, to enable the Directors or shadow directors, if any, to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

In the opinion of the Sole Director, no directors or shadow Directors, if any, had material interests in those significant transactions, arrangements or contracts in relation to the Company's business entered into by the Company, its parent company, or fellow subsidiaries in the financial year or subsisted at any time in the financial year.

Business Review

The Company is a wholly owned subsidiary of another body corporate. Accordingly, the Company is exempted from preparing a business review.

Permitted Indemnity Provisions

Article 137 of Part I of Table A of the Predecessor Companies Ordinance, which forms part of the Company's Articles, provides that every director for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 358 of the Predecessor Companies Ordinance (equivalent to sections 902 to 904 of the Hong Kong Companies Ordinance) in which relief is granted to him by the Court. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

Charitable Donations

During the financial year, the Company made no charitable donations (2017: Nil).

Arrangement to Purchase Shares or Debentures

There did not subsist at the end of the year arrangements to which the company was a party which enabled the directors of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Equity-Linked Arrangements

During the financial year, the Company entered into no equity-linked agreement. At the end of the financial year, the Company subsisted of no equity-linked agreement.

Auditors

The Company's Auditors, C&N Certified Public Accountants, now retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Liu Qiongli
Chairman

Hong Kong, 19th May, 2018

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

We have audited the financial statements of Hong Kong Branch office of World Fashion Trade Ltd. ("the Company") which comprise the statement of financial position as at 31st March, 2018, the statement of comprehensive income, statement of changes in equity, 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, 2018, 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.

Emphasis of Matter **Fundamental Uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the inherent uncertainty as to the continuation of the financial support by the company's holding company/fellow subsidiaries. If that support were withdrawn the company might not be able to continue in operational existence. There is, therefore, a significant level of concern as to the appropriateness of the going concern basis of preparation of financial statements. If this support is withdrawn, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets. It is not possible to quantify these potential effects. However our opinion is not qualified in this respect.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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.

Responsibilities of Director and those Charged with Governance for the Financial Statements

The 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 directors 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 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 HKSAs 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 HKSAs, we exercise professional judgement 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 directors.
- Conclude on the appropriateness of the directors' 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.

C&N Certified Public Accountants

Hong Kong, 19th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note	31/03/2018 HK\$	31/03/2017 HK\$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment		-	6,937
Current Assets			
Cash & Bank Balances	11	202,987	3,081,667
Accounts Receivable		7,611,472	4,241,906
Due from Holding Company	10	433,357	-
Due from Subsidiary	10	858,000	
Other Receivables		96,013	96,013
		<u>9,201,829</u>	<u>7,419,586</u>
Total		<u>9,201,829</u>	<u>7,426,523</u>
Current Liabilities			
Accounts Payable		5,524,107	218,626
Accrued Expenses & Other Current Liabilities		201,381	141,410
Due to Holding Company	10	-	2,230,646
Amount Due to Fellow subsidiary	10	2,349,000	4,005,475
Bank Overdraft		2,418,035	2,431,392
		<u>10,492,523</u>	<u>9,027,549</u>
NET ASSETS		<u>(1,290,694)</u>	<u>(1,601,026)</u>
CAPITAL AND RESERVES			
Issued Capital		5,480,570	5,480,570
Reserves & Surplus		<u>(6,771,264)</u>	<u>(7,081,596)</u>
		<u>(1,290,694)</u>	<u>(1,601,026)</u>
Total		<u>9,201,829</u>	<u>7,426,523</u>

For and on behalf of the Board

Liu Qiongli
Director

**STATEMENT OF PROFIT/LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	Note	31/03/2018	31/03/2017
		HK\$	HK\$
Revenue	4	14,129,495	12,584,042
Cost of Sales		<u>(12,840,428)</u>	<u>(11,336,053)</u>
Gross Profit		1,289,067	1,247,989
Other Income	5	3,787,756	4,046,140
Operating Expenses		<u>(5,118,114)</u>	<u>(4,550,048)</u>
Finance Cost	6	<u>(244,426)</u>	<u>(269,099)</u>
Exchange Gain/(Loss)		<u>596,049</u>	<u>(49,180)</u>
Profit Before Tax Expense	7	310,332	425,802
Tax Expense	9	-	-
Profit for The Year		<u>310,332</u>	<u>425,802</u>
Retained (Loss) brought forward		<u>(7,081,596)</u>	<u>(7,507,398)</u>
Retained (Loss) Carried Forward		<u>(6,771,264)</u>	<u>(7,081,596)</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Issued Capital	Retained Profits	Total
	HK\$	HK\$	HK\$
As at 1st April, 2016	7,730	(7,507,398)	(7,499,668)
Issue of Shares	5,472,840	-	5,472,840
Profit for the period 1st January to 31st March, 2017	-	425,802	425,802
As at 1st April, 2017	<u>5,480,570</u>	<u>(7,081,596)</u>	<u>(1,601,026)</u>
Profit for the year ended 31st March, 2018	-	310,332	310,332
As at 31st March, 2018	<u>5,480,570</u>	<u>(6,771,264)</u>	<u>(1,290,694)</u>

For and on behalf of the Board

Liu Qiongli
Director

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note	31/03/2018	31/03/2017
		HK\$	HK\$
Operating Activities			
Cash Flows from Operating Activities			
Profit After Tax		310,332	425,802
Adjustment for:			
Interest Expenses and Bank Charges		244,426	269,099
Depreciation		6,937	83,250
Operating Profit/(Loss)		<u>561,695</u>	<u>778,151</u>
(Increase)/Decrease in Accounts Receivables		(3,369,566)	3,453,460
(Increase)/Decrease in Other Receivables		-	130,530
(Increase)/Decrease in Inventory		-	389,064
Increase/(decrease) in Accounts Payables		5,305,481	(7,482,850)
Increase/(decrease) in Amount due to Holding Company		(2,664,003)	5,570,753
Increase/(decrease) in Amount due to Fellow Subsidiaries		(2,514,475)	(1,828,820)
Decrease in Accrued Expenses and other Current Liabilities		59,971	(30,390)
Net Cash from/(used in) Operating Activities		<u>(2,620,897)</u>	<u>979,898</u>
Tax Paid		-	-
Net Cash Inflow from/(used in) Operating Activities		<u>(2,620,897)</u>	<u>979,898</u>
Financing Activities			
Issue of Shares		-	5,472,840
Reduction in Loan from Holding Company		-	(5,476,898)
Interest Expenses and Bank Charges		(244,426)	(269,099)
Increase (Decrease) Bank Overdraft		(13,357)	172,893
Net Cash (used in)/from financing Activities		<u>(257,783)</u>	<u>(100,264)</u>
Net Increase in Cash and Cash Equivalents		(2,878,680)	879,634
Cash & cash equivalents at Beginning of Financial Year		3,081,667	2,202,033
Cash & Cash Equivalents at End of Financial Year	11	<u>202,987</u>	<u>3,081,667</u>

The Accompanying Notes are an Integral Part of these Financial Statements

For and on behalf of the Board

Liu Qiongli
Director

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

1. Reporting Entity

World Fashion Trade Ltd. (the Company) is an exempted company incorporated in Republic of Mauritius with limited liability and has a Branch office in Hong Kong. Its holding company is Bhartiya International Ltd., a public limited company incorporated in India and its shares are listed on National Stock Exchange of India. The address of the Branch office of the Company is suite 609, 6th Floor, Hong Kong Plaza, 188, Connaught Road West, Hong Kong .

The Company is engaged in the export and import of garments, bags and related products.

2. Basis of Preparation of Financial Statements

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. A summary of significant accounting policies is set out in Note 3.

These financial statements have been prepared under the accrual basis of accounting and the measurement basis used in the preparation of the financial statements is historical cost modified by stating certain financial instruments, if any, at their fair value as explained in the accounting policies set out below.

3. Summary of Significant Accounting Policies

a. Revenue

Revenue is recognised provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. Interest income from bank deposits/balances is accrued on a time-apportioned basis taking into account the principal outstanding and the rate applicable.

b. Foreign Exchange Translation

Foreign currency transactions in currencies other than the functional currency (foreign currencies) are recorded in the functional currency at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences arising on the settlement and re-translation of monetary items and non-monetary items are recognised as profit or loss in the period in which they arise.

c. Cash and Cash Equivalents

Cash and cash equivalents includes 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.

d. Accounts Receivables

Accounts receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of Accounts receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

e. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes purchase price, taxes and duties, installation expenses, interest cost and other direct costs incurred till the date the asset is available for use. Interest incurred for constructed asset is capitalized up to the date the asset is ready for its intended use based on the weighted average rate of all borrowings. The cost of construction in progress is transferred to the appropriate asset category, when construction is complete and the asset is available for intended use.

Depreciation is charged on a straight-line basis over the estimated economic useful lives of property, plant and equipment. The estimated useful economic lives are as follows:

- Plant and Machinery 3-20 years
- Furniture & fixtures 8-10 years
- Computers 3-5 years
- Office equipment 8-15 years

NOTES (CONTD.)

If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

f. Borrowings

Borrowings are recognised initially at the transaction price and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

g. Accounts Payables

Accounts payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

h. Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

i. Impairment of Non-Financial Assets

The investment in subsidiary is considered as a non-financial asset. At each reporting date, investment in subsidiary is reviewed to determine whether there is any objective evidence of impairment as result of any event that occurred after the initial recognition of the investment (a 'loss event') and that loss event has an impact on the net assets value of the Subsidiary and that can be reliably estimated. The recoverable amount of the net assets value of the Subsidiary is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the Statement of Comprehensive Income.

If an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but not in excess of the 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 immediately in the Statement of Comprehensive Income.

j. Related Parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Company ;
 - has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
- ii) the party is an associate of the Company;
- iii) the party is a joint venture in which the Company is a venture;
- iv) the party is a member of key management personnel of the Company or its parent;
- v) the party is a close member of the family of any individual referred to in (i) or (iv);
- vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or any entity that is a related party of the Company.

NOTES (CONTD.)

Particulars	31.03.2018 HK\$	31.03.2017 HK\$
4. REVENUE		
An analysis of the Company's revenue is as follows:		
Turnover	<u>14,129,495</u>	<u>12,584,042</u>
5. OTHER INCOME		
Commission Income	-	3,136,809
Service Charges	3,787,756	862,531
Other Income	-	46,800
	<u>3,787,756</u>	<u>4,046,140</u>
6. FINANCE COST		
Bank Interest	191,273	190,127
Bank Charges	53,153	78,972
	<u>244,426</u>	<u>269,099</u>
7. PROFIT BEFORE TAXATION		
This is stated after charging:		
Depreciation	6,937	83,250
Auditor's remuneration	44,130	40,000
Foreign Exchange Loss/(Gain)	(596,049)	49,180
8. DIRECTOR'S REMUNERATION		
The Directors received no remuneration for their services to the Company during the year (2017: Nil). There are no loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company. This is disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulations.		
9. INCOME TAX EXPENSE		
Hong Kong Profits Tax has not been provided as the entire activities are off-shore and the Profits will be exempt.		
10. AMOUNT DUE TO / FROM HOLDING/FELLOW SUBSIDIARIES		
The amounts due to/from the Holding Company and fellow subsidiaries are unsecured.		
11. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the statement of financial position comprise the following amounts:		
Cash on Hand	7,730	7,730
Cash at Bank	195,257	3,073,937
Cash and Cash equivalents	<u>202,987</u>	<u>3,081,667</u>
12. RELATED PARTY TRANSACTIONS		
During the year, the Company had the following transactions with related parties:		
Immediate Holding Company		
Bhartiya International Ltd		
Commission Received	-	3,136,809
Share Capital	5,472,840	5,472,840
Purchases	3,669,397	2,814,935
Other Intra Groups		
	Purchases	
Ultima S.A, Switzerland	3,774,959	525,935
	Service Charges Received	
Ultima S.A, Switzerland	390,000	780,000
Design Industry Ltd.	1,443,000	-

NOTES (CONTD.)**13. BALANCES WITH RELATED PARTIES (LOANS, PAYABLES AND RECEIVABLES)**

Name of the Related Party	Balance	Balance (payable)/	Relationship
	(payable)/ receivable	receivable	
	2018	2017	
	HK\$	HK\$	
Bhartiya International Ltd.	433,319	(2,230,646)	Holding Company
Ultima S.A., Switzerland	(2,349,000)	(989,000)	Fellow Subsidiary
Bhartiya Global Marketing Ltd., India	-	(567,354)	Fellow Subsidiary
Design Industry Ltd., Hong Kong	858,000	-	Fellow Subsidiary
Ultima Italia srl, Italy	-	(2,449,120)	Fellow Subsidiary

14. HOLDING COMPANY

As at 31st March, 2018, the Company's ultimate holding company is Bhartiya International Ltd., 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.

15. 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 directors of the Company review 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.

16. 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.

17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Director on 19th May, 2018.

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, 2018.

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, 2018 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, 2018.

DIRECTORS

Mr. Watlter Willi Zwahlen held the office of directorship during the year.

Director
24th May, 2018

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, 2017 to 31st March, 2018.

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, 24th May, 2018

BALANCE SHEET AS AT 31 MARCH, 2018

Particulars	31.03.2018 CHF	31.03.2017 CHF
Short Term Assets		
Banks Accounts	1,236,227.94	2,693,764.09
Debtors	11,391,989.60	4,324,936.38
Advances to Creditors	320,640.00	-
Debtors Subsidiaries Companies	1,139,965.46	358,651.87
C/a Bhartiya International Ltd.	908,833.58	-
Stock of Goods	32,791.16	11,767.50
Transitional and Other Debtors	2,563.49	60,229.53
Total Short Term Assets	15,033,011.23	7,449,349.37
Fixed Assets		
Tangibles Assets		
Furniture and Computer	3,000.00	2,000.00
Financial Assets		
Rent Guarantee	10,961.15	10,960.05
Loans to Subsidiaries Companies	747,093.31	184,173.31
Investments	2,480,930.00	2,480,930.00
Advances for Brand Projects	621,556.25	-
Total Fixed Assets	3,860,540.71	2,676,063.36
Total Fixed Assets	3,863,540.71	2,678,063.36
Total Assets	18,896,551.94	10,127,412.73
Liabilities		
Current Liabilities		
Banks Accounts	1,157,018.04	-
Creditors	1,091,734.77	3,998,016.36
C/a Subsidiaries	-	9,808.73
C/a Bhartiya International Ltd.	-	69,155.14
Transitional and Other Liabilities	195,400.25	132,740.90
Total Current Liabilities	12,269,765.06	4,209,721.13
Total Liabilities	12,269,765.06	4,209,721.13
Equity		
Share Capital	1,000,000.00	1,000,000.00
General Reserve	278,000.00	278,000.00
Retained Earnings	4,639,691.60	3,625,944.69
Net Income of the Year	709,095.28	1,013,746.91
Total Equity	6,626,786.88	5,917,691.60
TOTAL LIABILITIES AND EQUITY	18,896,551.94	10,127,412.73

INCOME STATEMENT 2017/2018

Particulars	31.03.2018 CHF	31.03.2017 CHF
Revenues		
Sales to Foreign Customers	<u>26,840,206.87</u>	22,072,888.41
Total Revenues	26,840,206.87	<u>22,072,888.41</u>
Merchandises Costs		
Costs of Goods	<u>24,727,467.74</u>	20,046,273.91
Variation of Stock	<u>(1,878.80)</u>	2,618.50
Total Merchandises Costs	24,725,588.94	<u>20,048,892.41</u>
Other Expenses		
Personal Costs	<u>44,905.90</u>	-
Design and Consultancy	<u>607,747.32</u>	472,790.29
Administration, Rent and Directors	<u>178,546.57</u>	197,014.11
Audit and Lawyers	<u>15,163.98</u>	12,960.00
Marketing, Representation, Travel Expenses	<u>105,025.25</u>	57,384.59
Total Other Expenses	951,389.02	<u>740,148.99</u>
Result Before Interests, Taxes Provisions and Depreciation	1,163,228.91	1,283,847.01
Financial Incomes and Charges		
Interests and Bank Fees (Net)	<u>226,879.00</u>	198,099.97
Exchange Rate Difference	<u>152,467.41</u>	(65,207.97)
Total Financial Incomes and Charges	379,346.41	<u>132,892.00</u>
Provisions and Depreciation		
Depreciation	<u>1,851.85</u>	2,000.00
Extraordinary Items (Net) (Charges/Gains Previous Financial Year)	<u>(30,523.98)</u>	-
Result Before Taxes	812,554.63	1,148,955.01
Taxes	<u>65,599.14</u>	101,729.50
Federal Taxes	<u>37,860.21</u>	33,478.60
Canton and Commune Taxes	<u>103,459.35</u>	135,208.10
Net Income of the Year	709,095.28	<u>10,13,746.91</u>

NOTES TO THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2018

Particulars	31.03.2018	31.03.2017
	CHF	CHF
Information 1:		
Essential Investments		
Ultima Italia S.r.l	2,438,000.00	2438000.00
(Share Capital EUR 2,000,000)	Interest of 100.00%	100.00%
Design Industry Ltd	11,900.00	11900.00
(Share Capital HKD 100,000)	Interest of 100.00%	100.00%
Design Industry China Ltd	31,030.00	31030.00
(Share Capital CNY 203,686.40)	Interest of 100.00%	100.00%
No other mention required by art. 663b CO		

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

Particulars	31.03.2018	31.03.2017
	CHF	CHF
Retained Earnings at the beginning of the Year	4,639,691.60	3,625,944.69
	4,639,691.60	3,625,944.69
Net Income of the Year	709,095.28	1,013,746.91
	5,348,786.88	4,639,691.60
Proposal of Board of Directors		
Attribution to General Reserve	-	-
Carried forward	5,348,786.88	4,639,691.60
	5,348,786.88	4,639,691.60

AUDITORS' 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 Italian 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, 2018 and of the results of its operation for the period ended on the date

Dr. Enrico Cantoni

14th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018
(Expressed in Euro)

Particulars	As At 31st March, 2018	As At 31st March, 2017
ASSETS		
Fixed Assets, Net of Depreciation	816,661	260,811
CURRENT ASSETS		
Inventories	415,962	419,362
Accounts Receivables	2,956,379	2,830,791
Deposits	1,847	4,332
Cash at Bank	98,488	325,031
TOTAL ASSETS	<u>4,289,337</u>	<u>3,840,327</u>
LIABILITIES		
Share Capital	2,000,000	2,000,000
Loan from Holding Company	375,377	125,377
Profit/ (-Loss) for the Previous Years	160,700	153,176
Profit/ (-Loss) for the Period	15,004	7,525
Bank overdraft/Limit	133,994	-
Loan from Banks	805,679	747,463
CURRENT LIABILITIES		
Accounts Payable and Accrued exp.	569,107	565,876
Other Creditors	229,476	240,910
TOTAL LIABILITIES	<u>4,289,337</u>	<u>3,840,327</u>

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2018
(Expressed in Euro)

Particulars	2017-2018	2016-2017
INCOME		
Sales	2,184,835	1,955,649
TOTAL INCOME	<u>2,184,835</u>	<u>1,955,649</u>
COSTS AND EXPENSES		
Costs of Goods Sold	385,216	473,908
Selling, General and Administrative	1,653,568	1,372,379
Depreciation	63,765	44,188
Financial Charges	27,113	29,886
TOTAL COSTS	<u>2,129,662</u>	<u>1,920,361</u>
Profit/ (-Loss) before Taxes	55,173	35,288
Taxes	40,169	27,763
Taxes Previous Years	-	-
Profit/ (-Loss) for the period	<u>15,004</u>	<u>7,525</u>

DIRECTORS' REPORT

The Director hereby presents his report together with the audited financial statements of the Company for the year ended 31st March, 2018.

Principal Activity

The principal activity of the Company is engaged in the export and import of garments, bags and related products.

Financial Statements

The results for the year ended 31st March, 2018 are set out in the statement of comprehensive income. The statement of financial position of the Company as at 31st March, 2018 is set out in the Balance Sheet.

Director,

The director who held office during the period beginning with the end of the financial year and ending on the date of this report is as follows:

Mr. Walter Willi Zwahlen

In accordance with the Company's Articles of Association, the directors shall remain in office during the ensuing year.

Directors' Interest

No contract of significance to which the Company, was a party and in which the Directors had a material interest subsisted at the end of the year or at any time during the year.

At no time during the year was the Company, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

Business Review

The Company is a wholly owned subsidiary of another body corporate. Accordingly, the Company is exempted from preparing a business review.

Permitted Indemnity Provisions

Article 137 of Part I of Table A of the Predecessor Companies Ordinance, which forms part of the Company's Articles, provides that every director for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in relation to the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 358 of the Predecessor Companies Ordinance (equivalent to sections 902 to 904 of the Hong Kong Companies Ordinance) in which relief is granted to him by the Court. This permitted indemnity provision is in force during the financial year and at the time of approval of this report.

Charitable Donations

During the financial year, the Company made no charitable donations (2017: Nil).

Arrangement to Purchase Shares or Debentures

There did not subsist at the end of the year arrangements to which the company was a party which enabled the directors of the company to acquire benefits by means of acquisition of shares in or debentures of the company or any other body corporate.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Equity-Linked Arrangements

During the financial year, the Company entered into no equity-linked agreement. At the end of the financial year, the Company subsisted of no equity-linked agreement.

Auditors

The Company's auditors, C&N Certified Public Accountants, now retire and, being eligible, offer themselves for re-appointment.

For and on behalf of the Board

Chairman

Hong Kong, 15th May, 2018

INDEPENDENT AUDITORS' REPORT

To,
The Shareholder of
Design Industry Ltd
(Incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements

We have audited the financial statements of Design Industry Ltd. ("the Company") which comprise the statement of financial position as at 31st March, 2018, the statement of comprehensive income, statement of changes in equity, 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, 2018, 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 for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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.

Responsibilities of Director and those Charged with Governance for the Financial Statements

The 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 directors 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 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 HKSAs 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 HKSAs, we exercise professional judgement 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 directors.
- Conclude on the appropriateness of the directors' 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.

C&N Certified Public Accountants

Hong Kong, 15th May, 2018

STATEMENT OF BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note	31.03.2018 HK\$	31.03.2017 HK\$
ASSETS			
Current Assets			
Cash and Bank Balances	10	6,363,193	758,495
Accounts Receivable		<u>26,129,877</u>	<u>7,220,739</u>
		<u>32,493,070</u>	<u>7,979,234</u>
Current Liabilities			
Accounts Payable		529,348	301,611
Accrued Expenses		104,269	78,435
Due to Holding/Ultimate Holding Company		26,907,348	4,559,448
Due to Fellow Subsidiaries		<u>3,417,984</u>	<u>1,874,598</u>
		<u>30,958,949</u>	<u>6,814,092</u>
Net Current Assets		<u>1,534,121</u>	<u>1,165,142</u>
NET ASSETS		<u>1,534,121</u>	<u>1,165,142</u>
Equity			
Share Capital		100,000	100,000
Retained Profits		<u>1,434,121</u>	<u>1,065,142</u>
		<u>1,534,121</u>	<u>1,165,142</u>

PROFIT AND LOSS FOR YEAR ENDED 31ST MARCH, 2018

Particulars	Note	31.03.2018 HK\$	31.03.2017 HK\$
Revenue	4	97,366,751	37,074,932
Cost of Sales		<u>(90,086,459)</u>	<u>(31,714,884)</u>
Gross Profit		<u>7,280,292</u>	<u>5,360,048</u>
Other Revenue	5	47	47
Operating Expenses		<u>(6,531,058)</u>	<u>(4,993,045)</u>
Finance Cost		<u>(380,302)</u>	<u>(167,433)</u>
Profit before Taxation	6	<u>368,979</u>	<u>199,617</u>
Tax Expense	8	-	-
Profit (Loss) after Taxation		<u>368,979</u>	<u>199,617</u>
Retained Profits brought forward		<u>1,065,142</u>	<u>865,525</u>
Retained Profits carried forward		<u>1,434,121</u>	<u>1,065,142</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

Walter Willi Zwahlen
Director

Hong Kong, 15th May, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

	Issued Capital HK\$	Retained Profits HK\$	Total HK\$
As at 1st April, 2016	100,000	865,525	965,525
Profit for the year ended 31st March, 2017	-	199,617	199,617
As at 31st March, 2017	100,000	1,065,142	1,165,142
Profit for the year ended 31st March, 2018	-	368,979	368,979
As at 31st March, 2018	100,000	1,434,121	1,534,121

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note	31.03.2018 HK\$	31.03.2017 HK\$
OPERATING ACTIVITIES			
Cash Flows from Operating Activities			
Profit After Tax		368,979	199,617
Adjustment for:			
Finance Cost		380,302	167,433
Interest Income		(47)	(47)
Operating profit/(loss) before Reinvestment of Capital		749,234	367,003
(Increase)/Decrease in Accounts Receivables		(18,909,138)	(2,593,034)
Increase/(Decrease) in dues to Holding/ Fellow Subsidiary		23,891,286	(1,844,999)
Increase/(Decrease) in Accounts Payables and Accrued Charges		253,571	351,196
Net Cash from / (used in) Operating Activities		5,984,953	(3,719,834)
Tax Paid		-	-
Net Cash Inflow from/(used in) Operating Activities		5,984,953	(3,719,834)
Investing Activities			
Bank Interest Received		47	47
		<u>47</u>	<u>47</u>
Financing activities			
Finance Cost		(380,302)	(167,433)
Net Cash (used in)/from Financing Activities		(380,302)	(167,433)
Net Increase in Cash and Cash Equivalents		5,604,698	(3,887,220)
Cash & Cash Equivalents at the beginning of Financial Year		758,495	4,645,715
Cash & Cash Equivalents at the end of Financial Year		6,363,193	758,495

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, 2018

1. Reporting Entity

Design Industry Ltd. (the 'Company') is incorporated in Hong Kong with limited liability. Its ultimate holding company is Bhartiya International Ltd., a public limited company incorporated in India and its shares are listed on National Stock Exchange of India. Its immediate holding company is Ultima SA, a private company incorporated in Switzerland. The address of the registered office of the Company is 609, 6th Floor, Hong Kong Plaza, 188, Connaught Road West, Hong Kong.

The Company is engaged in the export and import of garments, bags and related products. The company is also rendering consultancy services.

2. Basis of Preparation of Financial Statements

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. A summary of significant accounting policies is set out in Note 3.

These financial statements have been prepared under the accrual basis of accounting and the measurement basis used in the preparation of the financial statements is historical cost modified by stating certain financial instruments, if any, at their fair value as explained in the accounting policies set out below.

3. Summary of Significant Accounting Policies

a. Revenue

Revenue is recognised provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably. Interest income from bank deposits/balances is accrued on a time-apportioned basis taking into account the principal outstanding and the rate applicable.

b. Foreign Exchange Translation

Foreign currency transactions in currencies other than the functional currency (foreign currencies) are recorded in the functional currency at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences arising on the settlement and retranslation of monetary items and non-monetary items are recognised as profit or loss in the period in which they arise.

c. Cash and Cash Equivalents

Cash and cash equivalents includes 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.

d. Accounts Receivables

Accounts receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of Accounts receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

e. Borrowings

Borrowings are recognised initially at the transaction price and are subsequently stated at amortised cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

f. Accounts Payables

Accounts payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

NOTES (CONTD.)**g. Borrowing Costs**

All Borrowing Costs are recognised in profit or loss in the period in which they are incurred.

h. Impairment of Non-Financial Assets

The investment in subsidiary is considered as a non-financial asset. At each reporting date, investment in subsidiary is reviewed to determine whether there is any objective evidence of impairment as result of any event that occurred after the initial recognition of the investment (a 'loss event') and that loss event has an impact on the net assets value of the Subsidiary and that can be reliably estimated. The recoverable amount of the net assets value of the Subsidiary is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the Statement of Comprehensive Income.

If an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but not in excess of the 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 immediately in the Statement of Comprehensive Income.

i. Related Parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

- i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Company ;
 - has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
- ii) the party is an associate of the Company;
- iii) the party is a joint venture in which the Company is a venture;
- iv) the party is a member of key management personnel of the Company or its parent;
- v) the party is a close member of the family of any individual referred to in (i) or (iv);
- vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or any entity that is a related party of the Company.

4. REVENUE

An analysis of the Company's revenue is as follows:

	2018	2017
	HK\$	HK\$
Turnover	97,366,751	37,074,932

5. OTHER INCOME

Interest	47	47
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6. PROFIT BEFORE TAXATION

This is stated after charging:

Auditor's Remuneration	18,000	18,000
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7. DIRECTOR'S REMUNERATION

The Directors received no remuneration for their services to the Company during the year (2016: Nil). There are no loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company. This is disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulations.

8. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the entire activities are off-shore and the Profits will be exempt.

9. LOANS FROM HOLDING/ FELLOW SUBSIDIARY

The amounts due to/from the Holding Company and fellow subsidiaries are unsecured.

NOTES (CONTD.)**10. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of financial position comprise the following amounts:

	2018	2017
	HK\$	HK\$
Bank Balances	6,363,193	758,495
Cash and Cash equivalents	6,363,193	758,495

11. RELATED PARTY TRANSACTIONS

During the year, the Company had the following transactions with related parties:

	Purchases	
	2018	2017
	HK\$	HK\$
Immediate Holding Company		
Ultima S A	22,071,677	7,806,401
Ultimate Holding Company		
Bhartiya International Ltd	65,691,660	23,522,907
Fellow Subsidiary Company		
Bhartiya Global Marketing Ltd	341,640	-

12. BALANCES WITH RELATED PARTIES (LOANS, PAYABLES AND RECEIVABLES)

Name of the Related Party	Balance (Payable)/		Relationship
	Receivable		
	2018	2017	
	HK\$	HK\$	
Ultima S A	(9,659,201)	(390,000)	Holding Company
Bhartiya International Ltd	(17,248,147)	(4,169,448)	Ultimate holding Company
Ultima Italia. Srl.	(2,559,984)	(1,874,598)	Fellow subsidiary Company
World Fashion Trade Ltd.	(858,000)	-	Fellow subsidiary Company
Bhartiya Global Marketing Ltd	341,640	-	Fellow subsidiary Company

13. HOLDING COMPANY

As at 31st March, 2018, the Company's ultimate holding company is Bhartiya International Ltd., a public limited company incorporated in India and its shares are listed on National Stock Exchange of India. Company's immediate holding company is Ultima SA., a private company incorporated in Switzerland. This entity does not produce financial statements available for public use.

14. 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 directors of the Company review 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.

15. 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.

16. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 15th May, 2018.

AUDITORS' REPORT

To,
The Shareholders of
Design Industry China Ltd.

We have audited the accompanying consolidated balance sheet of Design Industry China Ltd. and its subsidiaries as of 31st March, 2018 and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the during 1st April, 2017 to 31st March, 2018, and a summary of significant accounting policies and other explanatory notes.

1. Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises. This responsibility includes: (i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (ii) selecting and applying appropriate accounting policies; and (iii) making accounting estimates that are reasonable in the circumstances.

2. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing for Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

3. Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and of the Group as of 31st March, 2017 and of its financial performance and its cash flows for the during 1st April, 2016 to 31st March, 2017 in accordance with the Accounting Standards for Business Enterprises and China Accounting System for Business Enterprises.

Jinxin Certified Public Accountants:

Hangzhou Jinxin Certified Public Accountants Co., Ltd.
Registered in P. R.China

13th April, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

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	12,569.39	39,249.14	Short-Term Loans	33		
Trading Financial Assets	2			Trading Financial Liabilities	34		
Bills Receivable	3			Notes Payable	35		
Accounts Receivable	4	627,689.21	1,466,927.57	Accounts Payable	36	721,754.79	1,161,524.14
Advances Paid	5	6,801.89	136.39	Advances Received	37	74,056.13	1,966.36
Interest Receivable	6			Employee Compensation Payable	38		
Dividend Receivable	7			Taxes and Rates Payable	39	9,297.56	84,002.67
Other Receivables	8	11,976.59	7,245.93	Interest Payable	40		
Inventories	9	11,692.04	7,681.11	Dividend Payable	41		
Non-Current Assets due within One Year	10			Other Payables	42	173,932.57	647.00
Other Current Assets	11	54,060.00	36,040.00	Non-Current Liabilities due within One Year	43		
Sub-Total of Current Assets	12	724,789.12	1,557,280.14	Other Current Liabilities	44		
Non-Current Assets:							
Available-For-Sale Financial Assets	13			Sub-Total of Current Liabilities	45	979,041.05	1,248,140.17
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	84,511.04	5,527.28	Special Payables	49		
Less: accumulated Depreciation	19			Estimated Liabilities	50		
Fixed Assets	20	84,511.04	5,527.28	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	979,041.05	1,248,140.17
Intangible Assets	25			Owners' Equity:			
Development Expenditures	26			Paid-in Capital	55	200,000.00	203,686.40
Goodwill	27			Capital Surplus	56	3,686.40	
Long-Term Prepayments	28			Less: Treasury Stock	57		
Deferred Tax Assets	29			Surplus Reserves	58		
Other Non-Current Assets	30			Undistributed Profit	59	-373,427.29	110,980.85
Sub-Total of Non-Current Assets	31	84,511.04	5,527.28	Total Owners' Equity	60	-169,740.89	314,667.25
Total Assets	32	809,300.16	1,562,807.42	Total Liabilities & Owners' Equity	61	809,300.16	1,562,807.42

INCOME STATEMENT FOR THE YEAR 1ST APRIL, 2017 TO 31ST MARCH, 2018

Design Industry China Ltd.

Monetary Unit: RMB Yuan

Items	Note No.	Current Period Cumulative	Preceding Period Comparative
I. Revenue from Operations	1	4,060,675.30	4,978,298.77
Revenue from Main Operations	2	4,060,675.30	4,978,298.77
Revenue from Other Operations	3		
II. Cost of Operations	4		
Cost of Main Operations	5	3,191,395.26	3,820,993.73
Cost of Other Operations	6		
Taxes and Surcharge for Operations	7	18,041.18	26,019.23
Selling Expenses	8		
General & Administrative Expenses	9	1,336,193.13	1,287,235.23
Financial Expenses	10	721.40	2,678.25
Assets Impairment Loss	11		
Add: Gain/Loss on changes of fair value (or less: losses)	12		
Investment Income (or less: losses)	13		
including: Investment Income from Associates and Joint Ventures	14		
III. Operating Profit	15	-485,675.67	-158,627.67
Add: Non-Operating Revenue	16		
Less: Non-operating Expenditures	17	19,000.00	
including: Net Loss on Disposal of Non-Current Assets	18		
IV. Profit before Tax	19	-504,675.67	-158,627.67
Less: Income Tax	20		9,796.33
V. Net Profit	21	-504,675.67	-168,424.00

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEAR 1ST APRIL, 2017 TO 31ST MARCH, 2018

Design Industry China Ltd.

Monetary Unit: RMB Yuan

Item	Note No.	Current year	Last year	Item	Note No.	Current year	Last year
Paid-in Capital	1	203,686.40	-	Reserve Fund	29	-	-
Beginning Balance	2		203,686.40	Enterprise Expansion Fund	30	-	-
Increase in the Current Year	3	-3,686.40	-	Transfer-in from Statutory Public Welfare Fund	31	-	-
Including: Transfer-in from Capital Surplus	4	-	-	Decrease in the Current Year	32	-	-
Transfer-in from Surplus Reserve	5	-	-	Including: Recovery of Losses	33	-	-
Transfer-in from Distribution of Profit	6	-	-	Conversion Into Capital (or Stock)	34	-	-
Additional Capital (or Stock)	7	-	-	Distribution of Cash Dividend or Profit	35	-	-
Decrease in the Current Year	8	-	-	Distribution of Stock Dividend	36	-	-
Ending Balance	9	200,000.00	203,686.40	Ending Balance	37	-	-
				Including: Statutory Surplus Reserve	38	-	-
Capital Surplus	10	-	-	Reserve Fund	39	-	-
Beginning Balance	11	-	-	Enterprise Expansion Fund	40	-	-
Increase in the Current Year	12	3,686.40		National Support Funds		-	-
Including: Premium on Capital (or Stock)	13	-	-	Statutory Public Welfare Fund	41	-	-
Reserve of Donated Non-Cash Assets	14	-	-	Beginning Balance	42	-	-
Receipt of Cash Donation	15	-	-	Increase in the Current Year	43	-	-
Equity Investment Reserve	16	-	-	Including: Amount Appropriated from Net Income	44	-	-
Transfer-in from Government Appropriations	17	-	-	Decrease in the Current Year	45	-	-
Foreign Currency Capital Translation Difference	18	-	-	Including: Collective Welfare Expenditures	46	-	-
Other Capital Surplus	19	3,686.40	-	Ending Balance	47	-	-
Decrease in the Current Year	20	-	-	Undistributed Profit	48	-	-
Including: Conversion into Capital (or Stock)	21	-	-	Undistributed Profit At The Beginning of the Year	49	110,980.85	249,067.95
Ending Balance	22	-	-	Net Income (or Losses) for the Year	50	-504,675.67	-168,424.00
Statutory and Discretionary Surplus Reserves	23	3,686.40	-	Profit Distribution for the Year	51	-	-
Beginning Balance	24	-	-	Surplus Reserve	52	-	-
Increase in the Current Year	25	-	-	Other	53	20,267.53	30,336.90
Including: Amount Appropriated From Net Income	26	-	-	Undistributed Profit/Losses at End of the Year	54	-373,427.29	110,980.85
Including: Statutory Surplus Reserve	27	-	-				
Discretionary Surplus Reserve	28	-	-				

STATEMENT OF CASH FLOW FOR THE YEAR 1ST APRIL, 2017 TO 31ST MARCH, 2018

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	5,641,953.10	5,099,873.23
Cash receipts from taxes and rates refunds	2	-	-
Other cash receipts relating to operating activities	3	173,285.57	
Total Cash Inflows from Operating Activities	4	5,815,238.67	5,099,873.23
Cash paid for goods and services	5	4,189,276.38	3,890,309.23
Cash paid to and on behalf of employees	6	637,485.36	650,659.47
Cash payments of taxes and rates	7	237,326.02	224,736.95
Other cash payments relating to operating activities	8	687,494.47	610,798.12
Total Cash Outflows From Operating Activities	9	5,751,582.23	5,376,503.77
Net Cash Flows from Operating Activities	10	63,656.44	-276,630.54
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	90,000.00	7,788.00
Cash paid for acquiring investments	17	-	-
Other cash payments relating to investing activities	18	-	-
Total Cash Outflows from Investing Activities	19	90,000.00	7,788.00
Net Cash Flows From Investing Activities	20	-90,000.00	-7,788.00
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	-336.19	-1,302.13
V. Net increase in cash and cash equivalents	31	-26,679.75	-285,720.67
Add: cash at the beginning of the period		39,249.14	324,969.81
VI. Cash and Cash equivalents at the end of the period		12,569.39	39,249.14

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR 1ST APRIL, 2017 TO 31ST MARCH, 2018

I. Company Profile

Design Industry China Ltd., is a Limited Liability Company (Sole Foreign Corporation). The Company obtained a business license (No.330100400054292) from People's Government of Hangzhou on 21st May, 2015 issued by Hangzhou Municipal Administration of Industry and Commerce of the PRC. The registered capital is RMB 200,000.00. ULTIMA SA contributed USD 32,000.00 on September 9th,2015. Corporation registers: Room 407-1, Tower 8, United Plaza, No.58 Qianjiang Road, Hangzhou, China. Legal representative: Feng Guobin.

On 23rd December, 2016, the company obtained the unified social credit code No. 91330100321707740 issued by the market supervision and Administration Bureau of Shangcheng District, Hangzhou city.

Scope of business: the wholesale, retail, import and export of clothing, textile, suitcases & leather ware, art ware (except cultural relics), daily provisions. (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. Basis of Preparation

The financial statements are prepared on an ongoing basis. According to the actual transactions and events, the principal accounting policies adopted in the preparation of the financial statements are in conformity with Accounting Standards for Business Enterprises-Basic Standard issued in 2006 and other specific accounting standards.

III. Statement of Compliance

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises, and present truly and completely information as financial position, results of operations and cash flows of the Company.

IV. Significant Accounting Policies and Estimates Adopted by the Company

(I) Fiscal Year

The financial year has been based on Gregorian calendar which starts on 1st April and ends on the next year 31st March.

(II) Bookkeeping Base Currency

The Company takes Renminbi (RMB) Yuan as its bookkeeping base currency.

(III) Accounting Measurement Attribute

The Company adopts the historical cost basis for accounting measurements. The financial assets and financial liabilities which are measured at their fair values, of which the variation is recorded into the profits and losses of the current period, financial assets available for sale, and derivative financial instruments are measured at their fair values; investment real estates are measured at the cost model, the fair value model will only be applied for measurement when the company has got concrete evidence signifying that the fair value of investment real estates could be obtained continuously and reliably; inventory, fixed assets and other assets on acquisition, which its payment delayed longer than normal payment condition, should be measured at the present value of the payment; other assets with impairment are measured at the recoverable amount, the amount of overage on assets is determined at replacement cost; the asset inventory surplus is measured at replacement cost.

There is no change about calculation nature of statement items during current reporting period.

(IV) Recognition criteria of Cash and Cash Equivalents

Cash equivalents refer to short term, (generally refers to the purchase date due within 3 months) highly liquid investments that readily convert to cash and that are subject to an insignificant risk of changes in value.

(V) Foreign Currency Translation

Transactions denominated in foreign currency are translated into RMB yuan at the spot exchange rate published by People's Bank of China at the transaction date. For ending balances of various foreign currency accounts, foreign currency monetary items are translated at the spot exchange rate at the balance sheet date with difference, included in profit or loss of the period; non-monetary items carried at historical costs are translated at the spot exchange rate at the transaction date; non-monetary items carried at fair value in foreign currency are reported at the spot exchange rate at the date when the fair value was determined, with difference included in the profit or loss arising from change in fair value.

NOTES (CONTD.)**(VI) Provision for Bad and Doubtful Debts**

The provision for bad and doubtful debts is estimated by management based on individual accounts receivable which show signs of uncollectibility. Provision for other receivables is determined based on their specific nature and management's estimate of their collectivity.

(VII) Inventories

1. Inventories include finished products or goods held for sale in the ordinary course of business, work in process in the process of production, and materials or supplier etc. to be consumed in the production process or in the rendering of services.
2. Raw materials purchased, checked and accepted into storage are recorded at the standard cost; dispatched from storage are accounted for with standard cost method; finished products (self-made semi-finished products) accepted into storage are recorded at the standard cost; dispatched from storage are accounted for with standard cost method. The standard cost is adjusted to the actual cost according to the cost variance of inventories dispatched from storage at the end of the period.
3. At the balance sheet date, inventories are measured at the lower of cost or net realizable value; Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses; the net realizable value of a material inventory to be processed is the estimated selling price of the finished goods made of the material minus the prospective costs, selling expenses and taxes upon completion under normal production and management; in case the price of part of an inventories is agreed in the contract but the other parts under the same item is not agreed in the contract by the date of balance sheet, the net realizable value shall be confirmed separately and compared with the corresponding costs to confirm the amount of inventory revaluation reserve.
4. Perpetual inventory method is adopted.
5. Low value consumables are amortized upon the first usage.

(VIII) Principle of Revenue Recognition**1. Sale of Goods**

Revenue recognition from the sale of goods takes place when: (1) significant risks and rewards of ownership of the goods is transferred to the buyer; (2) the entity retains neither continuing managerial involvement of ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the economic benefits of the transaction will flow to the entity; (5) the costs of the transaction incurred and to be incurred can be measured reliably.

2. Revenue from Providing Labour Services

If an enterprise can, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labour services it provides (the amount of revenue can be measured in a reliable way; the relevant economic benefits are likely to flow into the enterprise; the schedule of completion under the transaction can be confirmed in a reliable way; and the costs incurred or to be incurred in the transaction can be measured in a reliable way), it shall recognize the revenue from providing services employing the percentage-of-completion method.

If an enterprise cannot, on the date of the balance sheet, measure the result of a transaction concerning the providing of labour services in a reliable way, it shall be conducted in accordance with the following circumstances, respectively: If the cost of labour services incurred is expected to be compensated, the revenue from the providing of labour services shall be recognized in accordance with the amount of the cost of labour services incurred, and the cost of labour services shall be carried forward at the same amount; or if the cost of labour services incurred is not expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labour services May, be recognized.

3. Revenue from allowing others to use the Company's Assets

Revenue arising from use by others of assets is recognized when: it is probable that economic benefits associated with the transaction will flow to the entity, and the amount of the revenue can be measured reliably. Interest income is recognized based on the length of time for which the entity's cash is used by others and the effective interest rate; and royalties are recognized according to the period and method of charging as specified in relevant contract or agreement.

NOTES (CONTD.)**(IX) Deferred Tax Assets/ Deferred Tax Liabilities**

1. Deferred tax assets or deferred liabilities are calculated and recognized based on the difference between the carrying value and tax base of assets and liabilities (and the difference of the carrying value and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.
2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any concrete evidence showing that it is likely to acquire a sufficient amount of taxable income in a future period to offset against the deductible temporary difference, the deferred tax assets unrecognized in prior periods is recognized.
3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed, if it is unlikely to obtain sufficient taxable income to offset against the benefit of the deferred tax asset, the carrying amount of the deferred tax assets is written down. And such write-down is subsequently reversed where it becomes probable that sufficient taxable income will be available.
4. Companies current tax and deferred income taxes as income tax expenses or income included in current period profit and loss, but does not include income generated by the following circumstances: (1) business combination; (2) transactions or matters directly listed in the owner's equity.

V. Changes of Accounting Policies and Accounting Estimates and Corrections of Prior Period Errors**I. Changes of Accounting Policies**

There have been no changes in accounting policy during the year.

II. Changes of Accounting Estimates

There have been no changes in accounting estimates during the year.

III. Corrections of Prior Period Errors

There have been no corrections of prior period errors during the year.

VI. Taxes and Rates**(I) Value-Added Tax (VAT)**

Output VAT is 17% of product sales and taxable services revenue, according to tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable. Export goods enjoy the "exempt, credit and refund" policy with statutory refund rate.

(II) Urban Maintenance and Construction Tax

Levied at the rate of 7% of turnover tax payables.

(III) Education Fee Surcharge

Levied at the rate of 3% of turnover tax payables.

(IV) Local Education Surcharge

Levied at the rate of 2% of turnover tax payables.

(V) Income Tax

The statutory income tax rate of the Company is 25%.

VII. Profit Distribution

According to the relevant provisions of the articles of corporation.

NOTES (CONTD.)

VIII. Notes to Items of Financial Statements

(In RMB Yuan, unless otherwise stated)

1. Monetary Funds

(1) Details (please Find Balance Sheet note No.1)

Items	Ending Balance	Beginning Balance
Cash on hand	11,367.55	8,480.04
Cash in bank	1,201.84	30,769.10
Total	12,569.39	39,249.14

2. Accounts Receivable

(1) Age analysis (please find balance sheet note No.4)

Age	Ending Balance			Beginning Balance		
	Book balance	Proportion (%)	Provision for bad debts	Book balance	Proportion (%)	Provision for bad debts
Within 1 year	627,689.21	100		1,466,927.57	100	

(2) No receivable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

(3) No ending balance due from related parties.

3. Advances Paid

(1) Age analysis (please find balance sheet note No.5)

Age	Ending Balance			Beginning Balance		
	Book balance	Proportion (%)	Provision for Bad Debts	Book Balance	Proportion (%)	Provision for Bad Debts
Within 1 year	6,801.89	100		136.39	100	

(2) No receivable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

(3) No ending balance due from related parties.

4. Other receivables (please find Balance Sheet note No.8)

(1) Age analysis

Age	Ending Balance			Beginning Balance		
	Book balance	Proportion (%)	Provision for bad debts	Book balance	Proportion (%)	Provision for bad debts
Within 1 year	11,976.59	100		7,245.93	100	

(2) No receivables owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

(3) No ending balance due to related parties.

5. Inventories (please find Balance Sheet note No.9)

Item	Ending Balance	Beginning Balance
	Book Balance	Book Balance
Bulk Sample	11,692.04	7,681.11

6. Other Current Assets (please find Balance Sheet note No.11)

Item	Beginning Balance	Increase	Decrease	Ending Balance
Rent	36,040.00	228,240.00	210,220.00	54,060.00
Total	36,040.00	228,240.00	210,220.00	54,060.00

NOTES (CONTD.)**7. FIXED ASSETS COST (please find Balance Sheet note No.18)**

(1) Original value

Item	Beginning Balance	Increase	Decrease	Ending Balance
Instruments & Implement	7,788.00	-	-	7,788.00
Machinery & Equipment		90,000.00	-	90,000.00
Total	7,788.00	90,000.00	-	97,788.00

(2) Accumulated Depreciation

Item	Beginning Balance	Increase	Decrease	Ending Balance
Instruments and Implement	2,260.72	2,466.24	-	4,726.96
Machinery & Equipment		8,550.00	-	8,550.00
Total	2,260.72	11,016.24	-	13,276.96

(3) Net Value

Item	Beginning Balance	Increase	Decrease	Ending Balance
Instruments and Implement	5,527.28		2,466.24	3,061.04
Machinery & Equipment		90,000.00	8,550.00	81,450.00
Total	5,527.28	90,000.00	11,016.24	84,511.04

(4) No Fixed Assets Depreciation Reserves.

8. ACCOUNTS PAYABLE (please find Balance Sheet note No.36)

(1) Age Analysis

Age	Ending Balance		Beginning Balance	
	Book balance	Proportion (%)	Book balance	Proportion (%)
Within 1 year	721,754.79	100	1,161,524.14	100

(2) No Ending Balance due to Related Parties.

9. ADVANCE RECEIVED (please find Balance Sheet note No.37)

(1) Age Analysis

Age	Ending Balance		Beginning Balance	
	Book balance	Proportion (%)	Book balance	Proportion (%)
Within 1 year	74,056.13	100	1,966.36	100

(2) No Ending Balance due to Related Parties.

10. TAXES AND RATES PAYABLE (please Find Balance Sheet note No.39)

Items	Ending Balance	Beginning Balance
Income Tax Payable		9,796.33
Value Added Tax Payable	7,281.86	65,819.44
Tax For Maintaining and Building Cities Payable	509.73	4,609.93
Education Fee Surcharge	218.45	1,975.69
Local Education Surcharge	145.64	1317.12
Stamp Tax	88.38	428.14
Personal Income Tax Payable	1053.50	56.02
Total	9,297.56	84,002.67

11. OTHER PAYABLE

(1) Age analysis (please find balance sheet note No.42)

Age	Ending Balance			Beginning Balance		
	Book balance	Proportion (%)	Provision for bad debts	Book balance	Proportion (%)	Provision for bad debts
Within 1 year	173,932.57	100		647.00	100	

(2) No payable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5% voting shares at the end of the period.

(3) No ending balance due from related parties.

NOTES (CONTD.)**12. PAID-IN CAPITAL**

Ending Balance: 203,686.40

(1) Details (please find balance sheet note No.55)

Investors	Beginning Balance	Increase/Decrease	Ending Balance	Amount in Original Currency
ULTIMA S. A.	203,686.40	-3,686.40	200,000.00	USD32,000.00

Note: ULTIMA S.A. contributed USD 32,000.00 on September 9th,2015. The registered capital is RMB 200,000.00. In 2017, more capital RMB 3,686.40 will be transferred to capital reserve.

13. Capital Items Surplus (please find Balance Sheet Note No.56:

	Beginning Balance	Increase/Decrease	Ending balance
Other Capital Surplus		3,686.40	3,686.40

14. Undistributed profit

Details (please find balance sheet note No.59)

Retained Earnings at the beginning of the year	110,980.85
Add: Net Profit for the Year	-504,675.67
Prior Year Income Adjustment	20,267.53
Retained Earnings Carried Forward	-373,427.29

15. Revenue from operations (please find Income Statement note No.1)

Items	Current Period Cumulative	Preceding Period Comparative
Revenue from Main Operations	4,060,675.30	4,978,298.77
Total	4,060,675.30	4,978,298.77

16. Cost of operations (please find Income Statement note No.5)

Items	Current Period Cumulative	Preceding Period Comparative
Cost of Main Operations	3,191,395.26	3,820,993.73
Total	3,191,395.26	3,820,993.73

17. TAXES & SURCHARGE FOR OPERATIONS (please find Income Statement note No.7)

Items	Current Period Cumulative	Preceding Period Comparative
Urban Maintenance and Construction Tax	9,813.83	13,743.92
Education Fee Surcharge	4,205.95	4,615.92
Local Education Surcharge	2,803.96	3,077.30
Water Conservancy Special Fund	-	1,016.06
Stamp Tax	1,217.44	1,442.23
Total	18,041.18	23,895.43

NOTES (CONTD.)**18. General & Administrative Expenses** (please find Income Statement note No.9)

Items:	Current Period Cumulative	Preceding Period Comparative
Staff Salaries	457,754.86	504,990.00
Social Security Funds	117,164.29	125,087.54
Employee Benefits/Welfare	55,366.21	13,381.93
Labour Union Expenditure	8,691.01	234,260.00
Travelling Expense	153,066.91	109,977.23
Office Supplies	65,047.30	7,455.17
Repair Charge	10,976.07	-
Deductibility of Business Entertainment	65,634.34	-
Courier Charge	84,111.74	-
Depreciation Cost	11,016.24	-
Car Expense	30,975.19	-
Accumulation Fund	7,200.00	57,823.36
Property Cost	21,951.98	-
Rent	210,220.00	234,260.00
Other Miscellaneous	37,016.99	-
Total	1,336,193.13	1,287,235.23

19. Financial Expenses (please find Income Statement note No.10)

Items	Current Period Cumulative	Preceding Period Comparative
Interest Income	-1,047.19	-727.94
Other Financial Expenses	1,432.40	2,103.86
Foreign Exchange Loss	336.19	1,302.13
Total	721.40	2,678.05

IX. Other Important Matters

The income tax payable of 2017 will be confirmed according the annual income tax settlement.

This balance sheet from 1 April to the next year 31 March is being done for parent company only.

DESIGN INDUSTRY CHINA LTD.

13th April, 2018

BHARTIYA

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