

ANNUAL

2020-2021

REPORT

Design-led.

Innovative.

Sustainable.

Reliable.



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FROM THE CHAIRMAN



Dear Shareholders,

When I wrote to you a year ago, Bhartiya International was nearly five months into the challenges created by Covid 19 and the global shutdown. We didn't know how long our global brands and retailers would be closed for business. What we did know is we were determined to navigate through this immense challenge by staying focused on our core, long-term business strategies, by streamlining our operations and by maintaining the strength of our balance sheet.

I am pleased to report that because of our swift and effective response to this unprecedented crisis, we are now a leaner, more efficient organization, positioned for improved revenue growth and profitability as the economy and retail trade recovers.

Our strategic priorities:

- Improve efficiencies and reduce lead times to respond to critically important digital marketing and e-commerce.
- Expand our handbag and accessories business through investment in state-of-art production equipment, improved factory efficiencies, and expanded capacity for large global brands.
- Utilize the advantages of our vertical integration from tannery to garment to create greater flexibility, to reduce response time, and to better support our large leather outerwear brands.
- Build our virtual manufacturing group through an enhanced network of factory partners and a strengthened design and sourcing team to support a greater breadth and diversity of product sourcing capabilities.
- Elevate our corporate social responsibility commitment through all-encompassing people, environmental and sustainability programs.

I am proud to share with you that we are the first global tannery to achieve environmental and sustainability SupplierSure certification from BLC Eurofins. Thanks to the hard work of our leather-making team, global brands can have full confidence in our excellent operational, environmental and sustainability credentials.

I write this letter with a strong sense of pride and optimism as we enter the new fiscal year. Our strategic choices have positioned our company for success now and in the future. As economies rebound and global retail trade resurges, I am confident Bhartiya International will continue to grow and prosper with greater profitability.

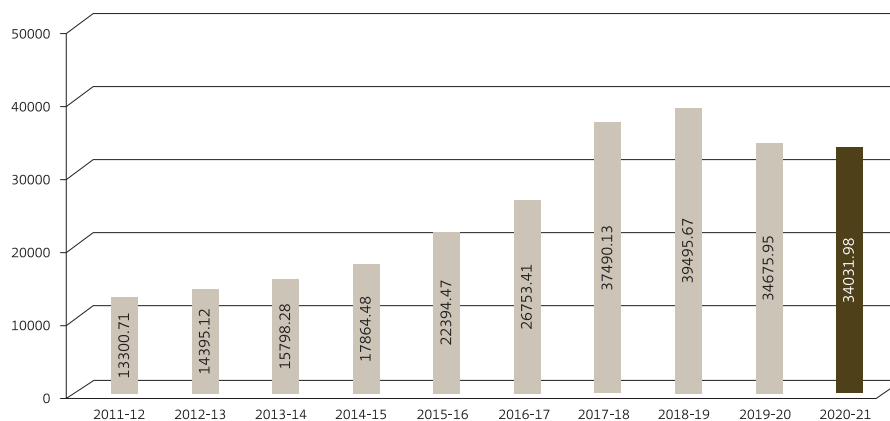
I am incredibly proud of our employees and grateful for their strength, resilience, determination and commitment throughout this difficult year. On behalf of the entire Bhartiya International organization, I thank our shareholders and stakeholders for your continued support.

Sincerely,

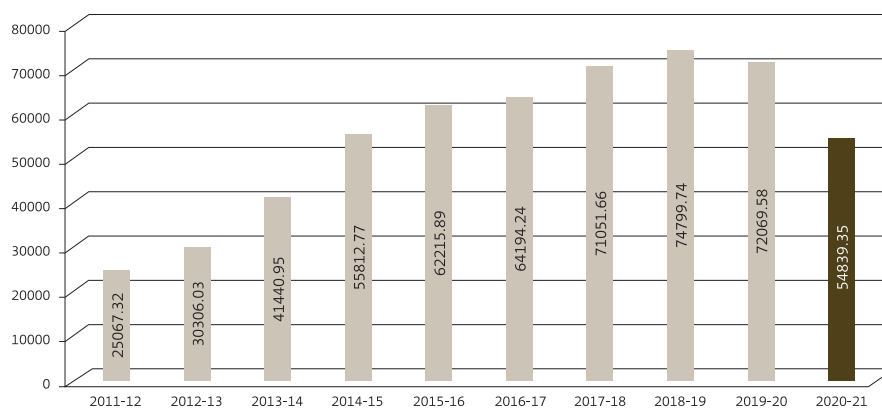
Snehdeep Aggarwal
Chairman

PERFORMANCE HIGHLIGHTS

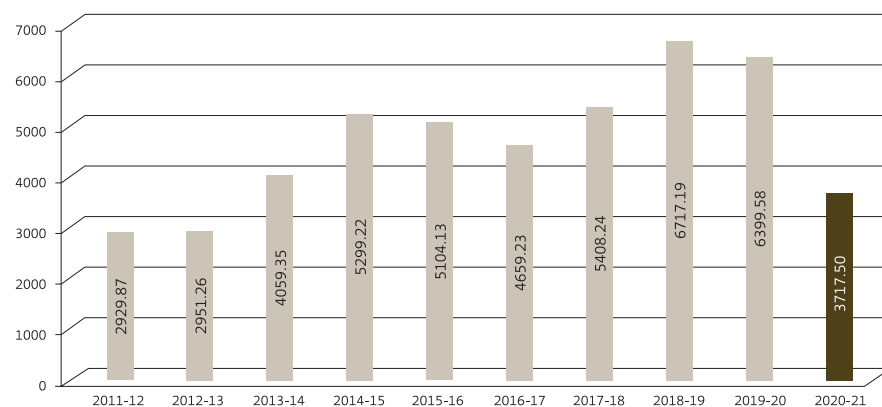
Net Worth (Rs. in Lakhs)



Turnover (Rs. in Lakhs)



EBITDA (Rs. in Lakhs)



DIRECTORS & KMP

SNEHDEEP AGGARWAL
Chairman

MANOJ KHATTAR
Whole Time Director

RAMESH BHATIA
Director

NIKHIL AGGARWAL
Director

ROBERT BURTON MOORE JR.
Director

SHASHANK
Independent Director

A. SAHASRANAMAN
Independent Director

C. L. HANDA
Independent Director

SANDEEP SETH
Independent Director

SANNOVANDA MACHAIAH SWATHI
Independent Director

RAJ KUMAR CHAWLA
Chief Financial Officer

YOGESH KUMAR GAUTAM
Company Secretary

AUDITORS

KASG & Co., Gurugram

BANKERS

State Bank of India
Union Bank of India
IDBI Bank
HDFC Bank
Indusind Bank
CTBC Bank

Kotak Mahindra Bank
DBS Bank India Ltd.
Axis Bank
Yes Bank
SBM Bank (India) Ltd.

DELHI

Bhartiya International Limited
E-52, New Manglupuri,
Mandi Road (Mehrauli),
New Delhi – 110 030
(India)

GURUGRAM

Bhartiya International Limited
Plot No. 38, Sector – 44,
Gurugram – 122 003, Haryana
(India)

BENGALURU

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

CHENNAI

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

TADA

Bhartiya International Limited
APIIC Industrial Park,
Konduru Village, Tada Mandal,
SPSR Nellore Distt.,
Andhra Pradesh – 524 401
India

ITALY

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

HONGKONG

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

Design Industry Limited

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

SWITZERLAND

Ultima SA
Rue Des Draizes 7
CH-2000, Neuchatel,
Switzerland

CHINA

Design Industry China Limited
Room 1603,
Lianyin Building, No 887,
Jiangcheng Road, Hangzhou,
China – Pin Code: 310 002

BANGLADESH

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

INDUSTRY UPDATE

2020 was an onerous year that changed the global business environment. The impact of the coronavirus (COVID-19) is being felt by all businesses around the world. Businesses are navigating a broad range of interrelated issues that span from keeping their employees and customer safe, managing cash and liquidity, reorienting operations, and navigating complicated government support programs.

Closure of retail stores and supply chain disruptions have led to either cancellation or hold on orders which affected many suppliers across the Globe. The short to medium term is likely to witness consolidation in the industry, as many smaller suppliers may fold their businesses owing to lack of access to capital to sustain operations. As consumers around the globe adjust to the next normal, there is significant variance in consumer sentiment and behavior across countries. Consumer preference has also made a shift to durable, useful products which serve multiple purposes. With the world moving to a hybrid mode of work, fashion is also faster shifting in the way people dress keeping hygiene, health and wellness in mind. The pandemic has also led to a shift in consumer behavior towards digital, forcing many brands/retailer to come up with innovative operating models significantly scaling up digital sales to meet the consumer demand. Bhartiya is gearing itself to take benefit from these changes in consumer preferences owing to its flexible and agile operating model to support the brands/retailers as per their requirements.

While the world went through this challenging period, the silver lining came in terms of a quick development of covid vaccine by leading pharmaceutical companies across the Globe. With a rapid vaccination of citizens across the key geographies like Europe, UK and the USA have led to opening of the economy and markets. The first few months of the current financial year already seeing an optimism in retail sales across these markets. This is very good news for Bhartiya Fashion as our key operating geographies are Europe, UK and the USA.

ABOUT THE COMPANY

Bhartiya's institutional journey began in the year 1987 with a focus on design led manufacturing. Over the last three decades, it has diversified into a global company with presence across six countries and a partner of choice for over 100 retailers/brands across the world. As a vertically integrated company with capabilities across material sourcing, design development, manufacturing, and quality assurance, it is leading the way as a full-service supply chain platform for partner brands with a commitment to sustainability. The fully integrated business model helps us with a unified view of all the core components of delivery to clients and keeps us agile and helps in quick decision making.

At Bhartiya, design plays a key role in whatever we do. Our state-of-the-art in-house R&D department is led by our design professionals based out of Milan, Italy and Gurgaon, NCR. Our teams work closely with partner brands to develop innovative products led by latest trends in fashion and thereby add significant value to our clients.

Bhartiya operates across four business divisions, such as Leather Outerwear, Textile Outerwear, Accessories and Virtual Manufacturing. These divisions are strengthened by an in-house Tannery Unit with a capability to source raw materials from across the world. The company operates a strong network of ten manufacturing units, six design and prototyping facilities, nine business development offices, and six showrooms and driven by direct and indirect employment of over 20000 people worldwide.



KEY BUSINESS DIVISIONS

LEATHER GARMENTS DIVISION

The leather garments division offers complete range of Men and Women outerwear apparel.

We are amongst the largest manufacturer of leather garments globally. In an Industry filled with large number of smaller players, Bhartiya was able to build scale and continues to grow in this division with steady state profitability.

Having consolidated the business model, the division has reached a stage to benefit from operating leverage: additional sales translate to the bottom-line with low incremental costs. Our focus in this segment is to grow the top line through long term partnership with a concentrated list of high value customers along with a diversified client base, de-risking the business. In addition to our in-house expertise of onboarding new customers, the company has ramped up its marketing network by engaging agents in key geographies to grow the business. These agents work on a variable incentive model linked to sales which makes it a cost-effective growth model with no fixed cost investment by the company.

Our design professionals based out of Milan, Italy and Gurgaon, NCR play a key role through constant product innovation led by latest trends in fashion. Company's strong expertise across the value chain (designing, sourcing, manufacturing) and deployment of highly skilled resources and streamlined processes has resulted in higher capacity utilization and have translated into a predictable business model with higher profitability.

ACCESSORIES DIVISION

The accessories division produces leather and non-leather bags, accessories including belts for reputed international brands. Bhartiya has been manufacturing leather accessories for the global market since the last decade, starting with a factory for bags and accessories in Chennai. Bhartiya factory has currently an annual production capacity of over a million bags, belts, wallets, and other small leather goods which is being scaled up further through expansion of our manufacturing facilities. The company is entering into a long-term manufacturing arrangements with leading brands in the luxury accessory space. To support these collaborations, company is expanding capacity through a greenfield facility in Andhra Pradesh. This initiative is a testament to Bhartiya's industrial strength manufacturing platform consists of latest state of the art technology enabled process and highly skilled resources. Our focus would be to grow this division through such long-term partnership model with multiple global luxury accessories brands/retailers. Additionally, our in-house design studio based out of Milan and Chennai crafts the latest trend setting products through an Original Design Manufacturing (ODM) model for many luxury brands in the European and North American market.



TEXTILE OUTERWEAR DIVISION

The Textile Outerwear division offers one of the best quality products to reputed retailers/brands. With a well-equipped sampling and product development infrastructure and sourcing teams, the division specialises in a variety of styles for Men's and Women's categories of Outerwear. The division has seen rapid expansion over the last few years. This has become possible by our cross-sell strategy to offer multiple product lines to our existing global client base. We are currently focusing high value products as a sustained lever for growth. We expect this initiative to deliver sustained profitability while growing its business volume over the next several years.



VIRTUAL MANUFACTURING DIVISION

While Bhartiya continues to focus on building manufacturing capabilities for its clients; company has leveraged a unique untapped opportunity in the virtual manufacturing space. The division is a design led and asset-light platform wherein company provides manufacturing expertise to leading brands by utilizing partner factories. Bhartiya's strong competitive advantages is in using design as a critical element in creating extra value in the supply chain and building partnerships. Consumer needs a certain product at a certain price point along with quality assurance. Bhartiya offers its expertise to match such requirements through access to global relationships and utilizing manufacturing facilities of partner factories. Hence knowledge of all key components: consumer understanding, design, branding capabilities, raw material sourcing capabilities, production and quality assurance capabilities can create significant value for this division.

Key features of the business division are:

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



LEATHER FINISHING DIVISION: LEADING THE SUSTAINABILITY INITIATIVE

The rapidly evolving fashion industry demands a conscious approach. Most leading luxury brands in the world have already embraced the Sustainability theme and have made significant progress on this front.

Being a responsible partner to over 100 global brands, our Tannery based in Chennai started moving towards ethical and sustainable production methods. Our tannery sources and produces leathers which are traceable, sustainable, organic, and biodegradable. Bhartiya has a mission to support its partner brands in their journey to remain relevant to their customers and the world by contributing to efficiently using resources and working towards a sustainable world.

The sustainable leather initiative at Bhartiya is about the entire lifecycle of leather with an objective of improving current processes by reduction of energy, water, chemicals and finding efficient ways of using by-products.



HUMAN RESOURCE

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

INTERNAL CONTROL

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



SIGNIFICANT CHANGES IN FINANCIAL RATIOS

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

Accordingly, on consolidated basis, the "Debtors Turnover ratio stood at 3.91 in FY 2020-21 compared to 5.71 in FY 2019-20 (a decrease of 31.46%); Interest Coverage ratio

stood at 0.75 in FY 2020-21 compared to 2.03 in FY 2019-20 (a decrease of 62.87%); Operating Profit Margin decreased to 5.16% for FY 2020-21 compared to 8.40% in FY 2019-20 (a decrease of 38.53%); Net Profit Margin decrease to -1.13% for FY 2020-21 compared to 5.03% in FY 2019-20 (a decrease of 122.40%); Return on Net Worth decreased to 1.81% for FY 2020-21 compared to 6.13% in FY 2019-20 (a decrease of 129.61%).

On Standalone basis, the Debtors Turnover ratio decreased to 5.10 for FY 2020-21 compared to 7.42 in FY 2019-20 (a decrease of 31.25%); Inventory Turnover ratio decreased to 52.57 for FY 2020-21 compared to 77.74 in FY 2019-20 (a decrease of 32.38%); Interest Coverage Ratio decreased to 1.10 for FY 2020-21 compared to 2.09 in FY 2019-20 (a decrease of 47.21%); Net Profit Margin decreased to 0.40% for FY 2020-21 compared to 3.74% in FY 2019-20 (a decrease of 89.37%); Return on Net Worth ratio decreased to 0.54 for FY 2020-21 compared to 7.43 in FY 2019-20 (a decrease of 92.70%).

The Company's operations for the year ended 31st March, 2021 have been impacted by the outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state governments, due to which the operations were suspended for a part of the year under review leading to such huge deviations in the Financial Ratios as compared to previous year.

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 Bangalore, India, Bhartiya City is an urban smart city built around a vibrant city center where 200,000 people will live, work or pass through every single day. The township is the single largest urban development of its kind within the corporation limits of any metropolitan city in the country.

The company's flagship residential brand 'Nikoo Home' is India's first branded residential project with a focus on Family, Community, Culture, Health, and Learning. The focus is to build communities and give families a chance to live a better life. Over 2400 Nikoo 1 homes have been handed over to proud homeowners. Another 2200 homes of Nikoo 2 are in the handover stage to customers and a new project of Nikoo 4 is on the final phases to be launched in August 2021.

Bhartiya City has already developed ~3 million square feet (msf) IT office space. The office portfolio hosts some of the leading technology companies like IBM, Infosys, Maersk as occupiers.

The company has developed a 5 star luxury hotel under the 'Leela' brand which will also house one of the largest convention centre in the city of Bengaluru. Bhartiya City also features luxury private residences located at the city center overlooking lush green Central Park. Defined by a sophisticated sense of style and luxurious finishes, these residences come embellished with the legendary Leela service.

Bhartiya City Centre features a Bhartiya Mall of Bengaluru, High Street, Ramblas- the indoor-outdoor concept, a Convention Centre, Cinema, Celebration Square, Center for Performing Arts, and Leela Hotel. The City Centre will provide an experience where arts, culture, shopping, retail, and entertainment will converge bringing thousands of people together from in and around Bangalore city.

Keeping its focus on the philosophy of changing lives with thought leadership, the group has set up a world class-school within Bhartiya City which offers national and international curriculum with the core philosophy of 'Makers of Leaders'.



BOARD'S REPORT

Your Director's are pleased to present the Thirty Forth Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended 31st March, 2021 ("year under review").

FINANCIAL RESULTS

The consolidated and standalone financial results of the Company for the financial year ended 31st March, 2021 are as follows:

(Rs. in Lakhs)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Net Sales/ Income from Operations	54839.35	72069.58	39677.23	57467.48
Other Income	495.10	435.50	427.60	308.85
Total Income	55334.45	72505.08	40104.83	57776.32
Profit before Interest, Tax & Depreciation	3717.50	6399.59	3391.63	5669.69
Finance Cost	2385.98	2491.32	2318.12	2296.42
Profit before Tax & Depreciation	1331.52	3908.27	1073.51	3373.27
Depreciation	1033.49	997.99	835.69	873.16
Profit Before Tax	298.03	2910.28	237.82	2500.11
Tax Expenses	28.37	435.86	79.95	349.44
Net Profit after Tax	269.66	2474.42	157.87	2150.67
Share of Net Profit/(Loss) of Associates	(887.33)	(348.68)	—	-
Net Profit/Loss	(617.67)	2125.74	157.87	2150.67
Other Comprehensive Income	25.76	29.88	25.25	30.31
Total Comprehensive Income for the Year	(591.91)	2155.62	183.12	2180.98
Paid up Equity Share Capital	1220.24	1220.19	1220.24	1220.19
Reserve (Excl. Revaluation Reserve)	32811.76	33455.76	27920.40	27736.68
Earning per Share (Basic) Rs.	(4.83)	17.43	1.29	17.63
Earning per Share (Diluted) Rs.	(4.82)	17.37	1.29	17.57
Dividend	—	-	—	-

PERFORMANCE REVIEW

On standalone basis, during the year under review, the Company achieved a turnover of Rs. 39677.23 Lakhs. The Net Profit after taxes was reported at Rs. 157.87 Lakhs as compared to Rs. 2150.67 Lakhs in the previous year.

On consolidated basis, during the year under review, the Company achieved a turnover of Rs. 54839.35 Lakhs. The Net Profit/(loss) after taxes minority interest and share of profit/(loss) of associates was reported at Rs. (617.67) Lakhs as against Rs. 2125.74 Lakhs in the previous year.

IMPACT OF COVID-19

The Company's operations for the year ended 31st March, 2021 have been impacted partially by the outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state governments, due to which the operations were suspended for a large part of the quarter ended 30th June, 2020 and resumed gradually with prescribed regulations and precautions. Accordingly, the financial results presented for the year ended 31st March, 2021 are not strictly comparable with those of previous periods.

Accordingly, the company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available to determine the impact on the company's revenue from operations and estimation

of sales related expenses over the foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables, deferred tax assets & input tax credit receivables. The company continues its business activities in lines with the guidelines issue by the Government authorities take steps to strengthen its liquidity position and further explore cost restructuring exercise. The company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the company is closely monitoring the situation as it evolves in future.

DIVIDEND

In order to conserve the resources of the Company by taking into account the prevailing economic situation and the need of resources for growth, the Board of Directors of the Company thought it was prudent not to recommend any dividend on the Equity Shares of the Company for the Financial Year ended 31st March, 2021.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement for adopting the Policy is not applicable to the Company during the FY 2020-21.

RESERVES

During the period under review, an amount of Rs. 1.83 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	Total value of shares (₹)
01/04/2020	Share Capital at the beginning of the year	12201869	122018690
Addition			
23/11/2020	Equity Shares allotted pursuant to ESOP Scheme	500	5000
31/03/2021	Share Capital at the end of the year	12202369	122023690

As on 31st March, 2021, Mr. Manoj Khattar, Whole-Time Director of the Company hold instruments convertible into equity shares of the Company.

CREDIT RATING

Rating Committee of ICRA has downgraded the long-term rating of [ICRA]BBB+(pronounced ICRA Triple B plus) assigned earlier to the captioned bank facilities of Rs 553.68 crore, to [ICRA]BBB (pronounced ICRA Triple B), and has assigned a long-term rating of [ICRA]BBB (pronounced ICRA Triple B) to the additional bank facilities of Rs 50-crore. The outlook on the long-term rating has been revised from Negative to Stable.

EMPLOYEES STOCK OPTION PLAN

During the year under review, the Company has allotted 500 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 2021, are set out in **Annexure A** to this Report.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report other than the impact of COVID-19 on the business operations and financial position of the Company detailed in this Report as well as Notes to the Financial Statements of the Company.

FINANCIAL STATEMENTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31st March, 2021 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, 2021.

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 net loss was reported at Rs. 0.18 lakhs during the financial year 2020-21.

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. 11766.74 lakhs and the net loss was Rs. 63.40 lakhs during the financial year 2020-21.

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. 46.00 lakhs and the net loss was Rs. 27.25 lakhs during the financial year 2020-21.

Bhartiya Fashion Retail Ltd.

The Company had registered a profit of Rs. 0.41 lakhs for the financial year 2020-21.

Bhartiya Urban Infrastructure Ltd

The Company had registered a profit of Rs. 0.07 lakhs for the financial year 2020-21.

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 13,696,996.79 and the net profit was CHF 258,422.44 during the financial year 2020-21.

World Fashion Trade Ltd, Mauritius

The Company registered other income of HK\$ 1,268,126 and net profit of HK\$ 1,111,845 for the period ended 31st March 2021.

Ultima Italia SRL, Italy

This company markets all fashion products including fur and leather garments in Italian market. The total revenues of the Company were Euro 1,058,322 and the net loss was Euro 269,608 during the financial year 2020-21.

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 were HK\$ 67,844,815 and the net profit was HK\$ 2,359,828.

Design Industry China Ltd, China

Design Industry China Limited is a wholly owned subsidiary of Ultima S.A. This company is engaged in marketing and selling of outerwear (including leather, PU Garments, fashion accessories) from China for marketing and selling in China. The total revenue of the Company was RMB Yuan 4,102,891.63 and the net profit was RMB Yuan 268,846.64 during the financial year.

New Subsidiary /Associate Company Incorporated / Dissolved during the year

No new Subsidiary or Associate Company were incorporated/acquired during the year under review. Also, no Subsidiary or Associate Company was dissolved during the year.

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.

ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, the Annual Return of the Company has been hosted on the Company's website www.bhartiya.com and weblink for the same is <https://bhartiyafashion.com/download/ANNUAL-RETURN-2020.pdf>.

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

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

BSE Limited

National Stock Exchange of India Limited

The Annual Listing fee for the Financial Year 2021-22 has already been paid to both the above Stock Exchanges.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Manoj Khattar (DIN: 00694981), 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.

Mrs. Annapurna Dixit, Independent Director has resigned from the Company w.e.f. 28th July, 2020.

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.

KEY MANAGERIAL PERSONNEL

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

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

*Mrs. Shilpa Budhia, has tendered her resignations from the post of Company Secretary of the Company, with effect from 9th October, 2020. Mrs. Shilpa Budhia has served the Company for around seven years from December, 2013.

**Mr. Yogesh Kumar Gautam was appointed as Company Secretary of the Company, with effect from 12th November, 2020 being a Key Managerial Personnel.

The above changes were proposed and noted by the Nomination and Remuneration Committee and approved by the Board of Directors.

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 2020-21 is provided in the Corporate Governance Report.

NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

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

BOARD EVALUATION

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

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

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

The performance assessment of Non-Independent Directors and the Whole Time Director, Board as a whole and the Chairman were evaluated in separate meetings of Independent Directors held on 15th March, 2021 without the presence of Non-Independent Directors and members of the management. The same was also discussed in the meetings of Nomination and Remuneration Committee and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

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

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2020-21, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2020-21 forms part of the Corporate Governance Report.

COMPLIANCE OF SECRETARIAL STANDARDS

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

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.bhartiya.com).

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.bhartiya.com. None of the 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, 2021, 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, 2021 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 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 34th 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 2020-21 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 2021-22.

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 annexed as **Annexure 'B'** and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

Pursuant to Regulation 24A of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019, the Annual Secretarial Compliance Report of the Company for the period ending 31st March, 2021, was submitted to the stock exchanges and is uploaded on the website of the Company i.e. www.bhartiya.com.

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 area of education, rural development projects & infrastructure and sanitation. These projects are in accordance with Schedule VII of the Act and the Company's CSR policy.

In order to incorporate the latest amendments made to the provisions of the Act and based on the recommendations of the CSR Committee, the Board of Directors at its meeting held on 29th June, 2021 had revised the CSR Policy of the Company.

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

ENVIRONMENT AND SAFETY

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

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

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, 2021 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in the **Annexure D** forming part of this report.

HUMAN RESOURCES

One of the factors in Organization's performance are its people and the processes associated with them. Bhartiya Group is one such organization to invest in their manpower and hire quality people who lead the business processes and helps in redefining and overhauling to achieve maximum output. Our teams are making efforts to deploy new & upcoming technology in our manufacturing units, working towards bringing changes in the existing processes for increasing the efficiency and for controlling the waste.

Our organization took all the necessary precautions during pandemic and have extended support to the workers to sustain their livelihood. Many programs have been initiated to maintain the mental wellbeing of people and a continuous communication with the teams have been ensured to upkeep the motivation level intact. Our people are working round the clock to fulfill the deliverables promised to our customers thereby maintaining the customer delight. All this has been made possible due to the never-ending efforts of our teams and their belongingness towards the organization.

Bhartiya Group always work towards the upliftment of its people which can be seen in every step of the employee lifecycle.

PARTICULARS OF EMPLOYEES

During the financial year 2020-21, the Company had 291 employees.

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

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

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

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

DEMAT SUSPENSE ACCOUNT FOR UNCLAIMED SHARES

There are no unclaimed shares of the Company.

PUBLIC DEPOSIT

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

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, 2021.

AWARDS AND ACCOLADES

Though awards for financial year 2019-20 & 2020-21 could not be facilitated due to prevailing covid situation across the globe, the Company has received the following rewards in previous years:

First Place Export Award from Council for Leather Export (Category above Rs.300 Crores – Leather Garments) for the financial year – 2018-19

First Place Export Award from Council for Leather Export – Northern Region (Category above Rs.300 Crores – Leather Garments) for the financial year – 2018-19

Second Place Export Award from Council for Leather Export – Northern Region (Category Overall Exports) for the financial year – 2018-19

First Place Export Award from Council for Leather Export – Northern Region (Category Leather Goods Above Rs.50 Crores & Upto Rs.100 Crores) for the financial year – 2018-19

First Place Export Award from Council for Leather Export – Northern Region (Category Finished Leather Upto Rs.25 Crores) for the financial year – 2018-19

GENERAL

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

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

ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Snehdeep Aggarwal
Chairman
DIN: 00928080

Gurugram, 13th August, 2021

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: [\[www.bhartiya.com\]](http://www.bhartiya.com)

Diluted EPS on issue of shares in accordance with "Accounting Standard 20 - Earnings Per Share" issued by ICAI: Rs. 1.29

Details related to Employees Stock Option Plan, 2013

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

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

Particulars	Year Ended 31 st March, 2021
Senior managerial personnel	NIL
Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NIL
Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL

The activity in the Employees Stock Option Plan during the year ended 31st March, 2021 is as under:

Particulars	Year ended 31 st March, 2021
Number of options outstanding at the beginning of the period	91,823
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	65,812
Number of options vested during the year	500
Number of options exercised during the year	14000
Number of shares arising as a result of exercise of options	500
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 25,000
Loan repaid by the Trust during the year from exercise price received	NA
Number of options outstanding at the end of the year	25511
Number of options exercisable at the end of the year	25511
Weighted average exercise price and weighted average fair value of Options granted during the year for Options whose exercise price either equals or exceeds or is less than the market price of the stock. Options whose exercise price is less than the market price: Weighted average exercise price of options Weighted average fair value of options	NA

A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: Date of Grant Weighted average share price Exercise price Expected volatility Option life (comprising of weighted average of vesting period and exercise period) Expected dividends Risk free rate of return	September 16, 2015	December 31, 2015	February 03, 2018	April 05, 2018
	Rs. 468.70	Rs 521.15	Rs. 463.55	Rs. 410.15
	Rs. 50.00	Rs. 50.00	Rs. 450.00	Rs. 330.00
	46.11%	45.56%	39.22%	36.78%
	4.50 years	4.50 years	5.50 years	5.50 years
	0.21%	0.19%	0.26%	0.29%
	7.80%	7.60%	7.55%	7.22%
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. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

*[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 600127

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2021 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, 2021 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; to the extent applicable
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 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; **(Not applicable as the Company is not registered as Registrar and Transfer Agent during the audit period);**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period) ;**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable to the Company during the audit period).** and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. We further report that, we relied on the representation made by the Company and its officer 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 compliance with the applicable clauses of Secretarial Standard with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

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 were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This report is to be read with our letter of even date which is annexed and form an integral part of this report.

For RSM & CO.
Company Secretaries

CS Ravi Sharma
Partner
FCS: 4468 | COP No.: 3666
UDIN: F004468C000790022
Peer Review Cert. No. 978/2020

New Delhi, 13th August, 2021

The Members

Bhartiya International Ltd

56/7, Nallambakkam Village (Via Vandalur),

Chennai, Tamil Nadu 600127

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

1. Due to pandemic situation and entire lockdown in the country, we have verified the documents virtually and no physical verification was done by us.
2. 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.
3. 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.
4. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
5. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
7. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company

For RSM & CO.

Company Secretaries

CS Ravi Sharma

Partner

FCS: 4468 | COP No.: 3666

UDIN: F004468C000790022

Peer Review Cert. No. 978/2020

New Delhi, 13th August, 2021

ANNEXURE C

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2020-21

1. Brief outline on CSR Policy of the Company.

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

2. During the financial year 2020-21, the company had mainly catered in the field of education and rural area development projects & infrastructure and sanitation. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Snehdeep Aggarwal	Chairperson	2	2
2	Mr. Ramesh Bhatia	Member	2	-
3	Mr. Sandeep Seth	Member	2	2

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

<https://bhartiyafashion.com/investor-relations.html>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable.**

6. Average net profit of the company as per section 135(5).- Rs. 26,92,00,550/-

7. (a) Two percent of average net profit of the company as per section 135(5).- Rs. 53,84,011/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.-**NIL**

(c) Amount required to be set off for the financial year, if any-**NIL**

(d) Unspent amount of previous years- Rs. 105,58,000/-

Total CSR obligation for the financial year (7a+7b-7c+7d)- Rs. 159,42,011/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in Rs.)	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
81,85,199	77,58,755	23/04/2021	NIL	NIL	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State.	District.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number
1.	Project 3/2020-21	Education & Rural Development Project	Yes	Tamil Nadu	Chengalpet District	1 year	Rs. 86,20,000	Rs. 8,62,000	77,58,755	Yes	Not Applicable	

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation – Direct (Yes/No).	Mode of implementation – Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Garbage collecting Vehicle donation to Mantapa Panchayat, Anekal Tehsil, Bangalore, Karnataka.	Rural Development & Sanitation	Yes	Karnataka	Bangaluru	5,66,199/-	Yes	Not Applicable	
	Project 1/2020-21	Rural Development Project	Yes	Chennai	Chengalpet	29,57,000	Yes	No Applicable	
2.	Project 2/2020-21	Promoting Education	Yes	Haryana	Faridabad	38,00,000/-	Yes	Manav Rachna International Institute of Research & Studies	Was not required/ available at the time of contribution made
	TOTAL					73,23,199			

(d) Amount spent in Administrative Overheads: **NIL**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 81,85,199/-

(g) Excess amount for set off, if any: **Not Applicable**

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	2017-18	-	14,42,000	-	-	-	-
2.	2018-19	-	44,91,000	-	-	-	-
3.	2019-20	-	22,52,199	-	-	-	23,72,801
	TOTAL	-	81,85,199	-	-	-	23,72,801

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project – Completed/ Ongoing.
1.		Project 3/2020-21	2020-21	One Year	86,20,000	8,62,000	8,62,000	Ongoing
	TOTAL	-	-	-	86,20,000	8,62,000	8,62,000	-

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

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

For and on behalf of the Board

Snehdeep Aggarwal
Chairman
DIN: 00928080

Gurugram, 13th August, 2021

Annexure D

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

a. Conservation of Energy

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

b. Technology Absorption

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

c. Foreign Exchange Earnings & Outgo

The information on foreign exchange earnings and outgo are

Earnings: Rs. 35,912.50 Lakhs

Expenditure: Rs. 10,908.64 Lakhs

For and on behalf of the Board

Snehdeep Aggarwal
Chairman
DIN: 00928080

Gurugram, 13th August, 2021

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2021, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

During the Financial year 2020-2021, the Company is in compliance of the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations / SEBI Listing Regulations] as applicable, with regard to Corporate Governance.

The detailed Corporate Governance Report of BIL is as follows:

BOARD OF DIRECTORS

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

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

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

As on 31st March, 2021, the Board strength comprises of ten Directors and nine out of them are Non-Executive Directors. There are Five Independent Directors (out of which one is woman Director) on the Board who are professionals with high credentials and actively contributing in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

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

Name	Director Identification Number	Date of Appointment	Category of Directors	Directorships in other Indian Public Limited Companies	Memberships/ Chairmanships of other Committees		List of Directorship held in Other Listed Companies and Category of Directorship
					Chairman	Member	
Mr. Snehdeep Aggarwal	00928080	07-01-1987	Promoter, Non-Executive Chairman	-	-	-	-
Mr. Ramesh Bhatia	00052320	06-09-1987	Promoter, Non-Executive Non- Independent Director	2	-	-	-
Mr. Manoj Khattar	00694981	13-08-2018	Executive Director (Whole-Time Director)	5	1	-	-
Mr. Robert Burton Moore Jr.	08108097	16-04-2018	Non-Executive Non-Independent Director	-	-	-	-
Mr. Nikhil Aggarwal	01891082	04-10-2007	Non-Executive Non- Independent Director	-	-	-	-

Name	Director Identification Number	Date of Appointment	Category of Directors	Directorships in other Indian Public Limited Companies	Memberships/ Chairmanships of other Committees		List of Directorship held in Other Listed Companies and Category of Directorship
					Chairman	Member	
Mr. C. L. Handa	00928283	26-05-2004	Non-Executive Independent Director	3	-	1	-
Mr. Sandeep Seth	01408624	28-02-2002	Non-Executive Independent Director	2	-	1	-
Mr. Shashank	01569514	30-07-2007	Non-Executive Independent Director	1	-	1	-
Mr. A. Sahasranaman	01983690	30-06-2008	Non-Executive Independent Director	-	-	-	-
Mrs. Sannovanda Swathi Machaiah	06952954	01-04-2020	Non-Executive Independent Director	2	-	2	Simplex Castings Limited - Non-Executive Independent Director PC Jeweller Limited- Non-Executive Independent Director

1. The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies and is within respective limits prescribed under the Companies Act, 2013 ("Act") and Listing Regulations.
2. Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies (excluding Bhartiya International Limited) have been considered. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
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.
4. Details of Director(s) retiring or being re-appointed are given in the notice to Annual General Meeting. The brief profile of the Board Members is given on the website of the Company www.bhartiya.com.
5. Maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and rules made thereunder.
6. Mr. Nikhil Aggarwal is the nephew of Mr. Snehdeep Aggarwal, Promoter Director. No other directors are related to each other.

b. Number of Board Meetings:

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

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

In the financial year 2020-21, the Board met four times. The meetings were held on 29th June, 2020, 12th August, 2020, 12th November, 2020, and 12th February, 2021. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulations and Circulars issued from time to time.

The attendance of Directors at the Board meetings held during the financial year ended 31st March, 2021 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	4	Absent
Mr. Manoj Khattar	4	Present
Mr. Ramesh Bhatia	4	Absent
Mr. C. L. Handa	4	Present
Mr. Sandeep Seth	4	Present
Mr. Shashank	4	Absent
Mr. A. Sahasranaman	4	Absent
Mr. Nikhil Aggarwal	4	Absent
Mr. Robert Burton Moore Jr.	4	Absent
Mrs. Sannovanda Swathi Machaiah	3	Absent
Mrs. Annapurna Dixit**	1	N.A.

* Includes Meeting attended through Video/Tele Conference.

** Mrs. Annapurna Dixit resigned from the directorship w.e.f 28th July, 2020

Selection of Independent Directors

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

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

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

c. Skills/expertise/competencies of the Board

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

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

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

Name of the Directors	Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)
Mr. Snehdeep Aggarwal	Leadership, Entrepreneurship, Global business and consumer understanding, Business Strategy and Corporate Management
Mr. Ramesh Bhatia	Entrepreneur, Business Management
Mr. Manoj Khattar	Financial matters including capital budgeting, planning & management, corporate finance experience.
Mr. Robert Burton Moore Jr.	Marketing specialist, Business Management
Mr. Nikhil Aggarwal	International Marketing and Business Management
Mr. C L Handa	Credit Management, Foreign Exchange, Merchant Banking
Mr. Shashank	Diplomat, Retired Foreign Secretary from the Government of India
Mr. A Sahasranaman	Rich Expertise in Leather sector and served in UNDP and UNIDO Promoting Leather Sector in India

Mr. Sandeep Seth	Professional with expertise in Accounts, Finance and Taxation
Mrs. Sannovanda Swathi Machaiah	Expertise in Banking, Accounts and Finance matters.

d. Information Supplied to the Board

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

e. Post Meeting Mechanism

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

f. Board Support

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

g. Shareholding of Non-Executive Directors

As on 31st March 2021, the shares held by the Non-Executive Directors is provided below:

Name of the Directors	No. of shares held
Mr. Snehdeep Aggarwal	1143362
Mr. Ramesh Bhatia	340250
Mr. Nikhil Aggarwal	20100

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

h. Roles, Responsibilities and Duties of the Board

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

i. Independent Directors

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

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

j. Familiarization Programme for Independent Directors

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

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

Details of the programme for familiarisation of Independent Directors with the working of the Company are available on the website of the Company and can be accessed on <https://bhartiyafashion.com/download/FAMILIARISATION-PROGRAMME-FOR-INDEPENDENT-DIRECTORS-2020-2021.pdf>.

k. Conflict of Interests

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

COMMITTEES OF THE BOARD

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

The Board has currently the following Committees:

A. AUDIT COMMITTEE**(i) Composition**

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

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulations. All members of the Audit Committee bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. Mr. Sandeep Seth is the Chairman of the Audit Committee. Mr. Shashank and Mr. C. L. Handa are the members of the Audit Committee.

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

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

(ii) Meetings and Attendance during the Financial Year 2020–21

The Members of the Audit Committee met four times during the Financial Year 2020-21. 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 29th June, 2020, 12th August, 2020, 12th November, 2020 and 12th February, 2021. 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	29.06.2020	12.08.2020	12.11.2020	12.02.2021
Mr. Sandeep Seth	P	P	P	P
Mr. Shashank	P	P	P	P
Mr. C.L. Handa	P	P	P	P

(iii) Terms of Reference

- 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.
- 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.
- Approving payment to statutory auditors, including cost auditors, if any, for any other services rendered by them.
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report of the Company from time to time
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management

- Significant adjustments made in financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Modified opinion(s) in the draft audit report
- e. Reviewing with the management and Statutory Auditors, the quarterly and half yearly financial statements before submission to the Board for approval
- f. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- h. Approval or any subsequent modification of transactions of the Company with related parties
- i. Scrutiny of inter-corporate loans and investments
- j. Review of valuation of undertakings or assets of the Company, wherever it is necessary
- k. Evaluation of internal financial controls and risk management systems
- l. Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- n. Discussion with internal auditors, any significant findings and follow-up thereon
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board
- p. Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- q. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- r. To review the functioning of the Whistle Blower mechanism
- s. Approval of appointment of the CFO or any other person heading the finance function or discharging that function after assessing qualifications, experience and background of the candidate
- t. Frame and review policies in relation to implementation of the Company's code of conduct and Code of conduct for prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- u. Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- v. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- w. Reviewing the following information:
- The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor
- x. statement of deviations:
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
 - annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

- y. Reviewing the utilization of loans and/or advances to/investment in the subsidiary company exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- z. Authority to review/investigate into any matter covered by Section 177 of the Companies Act, 2013 and the matters specified in Part C of schedule II to the Listing Regulations.

B. NOMINATION AND REMUNERATION COMMITTEE

(i) Composition

The Committee comprises of three Non-Executive Independent Directors in pursuant to Regulation 19 of the SEBI LODR Regulations. Mr. Sandeep Seth is the Chairman of the Committee. Other members of the Nomination and Remuneration Committee are Mr. Shashank and Mr. C. L. Handa. 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 2020–21

The Nomination and Remuneration Committee met five 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	29.06.2020	12.11.2020	23.11.2020
Mr. Sandeep Seth	P	P	P
Mr. Shashank	P	P	P
Mr. C.L. Handa	P	P	P

(iii) Terms of reference

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

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

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

(iv) Remuneration of Directors

Remuneration to Whole-Time Director (Executive Director)

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

Remuneration to Whole-Time Director for the financial year 2020-21 is as under:

Name of the Director	Salary (Rs.)	Stock Options	Notice Period
Mr. Manoj Khattar *	73,40,520	2783	3 months

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

Remuneration to Non- Executive Directors

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

The details of sitting fees paid for attending the Board/Committee Meetings to the Non-Executive Directors for the financial year 2020-21 is as under: -

Name of the Director	Board Meeting Fees (Rs.) *	Committee Meeting Fees (Rs.) *	Total (Rs.)
Mr. Snehdeep Aggarwal	-	-	-
Mr. C. L. Handa	43244	64864	108108
Mr. Ramesh Bhatia	43244	-	43244
Mr. A. Sahasranaman	43244	-	43244
Mr. Shashank	43244	64864	108108
Mr. Sandeep Seth	43244	64864	108108
Mr. Nikhil Aggarwal	-	-	-
Mrs. Sannovanda Swathi Machaiah	32433	-	32433
Mr. Robert Burton Moore Jr.	-	-	-

* The above amounts are inclusive of taxes

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

In addition, Mr. Snehdeep Aggarwal was paid a remuneration of Rs.10,00,000 for the year 2020-21 for his responsibilities as the Chairman of the Company.

Mr. Robert Burton Moore Jr., Non-Executive Director, was paid Consultancy Fees of Rs. 74,67,148/- during the year under review as approved by the shareholders of the Company in the Annual General Meeting held on 29th September, 2020 for holding office or place of profit.

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

BOARD EVALUATION

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

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

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

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

The performance assessment of Non-Independent Directors and the Whole Time Director, Board as a whole and the Chairman were evaluated in separate meetings of Independent Directors held on 15th March, 2021 without the presence of Non-Independent Directors and members of the management. The same was also discussed in the meetings of Nomination and Remuneration Committee and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

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

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.

Company Secretary acts as Secretary to the Committee.

(ii) Meetings and attendance during the Financial Year 2020–21

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

Director	05.05.2020	29.06.2020	11.08.2020	12.11.2020	10.12.2020	12.02.2021
Mr. Sandeep Seth	P	P	P	P	P	P
Mr. Shashank	P	P	P	P	P	P
Mr. C.L. Handa	P	P	P	P	P	P

(iii) Terms of Reference

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

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

Total number of complaints/communications received during the financial year were 10 (Ten) only and all of them have been redressed/answered to the satisfaction of shareholders. There was no grievance which was pending during the for financial year ending 31st March, 2021.

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. Company Secretary acts as Secretary of the CSR Committee. The Composition of CSR Committee is in line with the provisions of Section 135 of the Companies Act, 2013.

(ii) Meetings and Attendance during the financial year 2020–21

Two Meetings of the Committee were held during the year.

Director	12.11.2020	10.02.2021
Mr. Snehdeep Aggarwal	P	P
Mr. Ramesh Bhatia	A	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 formation of the CSR Committee, the members have refused to take sitting fees.

E. MANAGEMENT COMMITTEE**(i) Composition**

The Management Committee consists of three members. i.e. Mr. Snehdeep Aggarwal, Mr. C. L. Handa and Mr. Manoj Khattar.

(ii) Meetings and Attendance during the financial year 2020–21

Fourteen Meetings of the Committee were held during the year 2020-21.

Meetings	Directors		
	Mr. Snehdeep Aggarwal	Mr. Manoj Khattar	Mr. C.L. Handa
30.04.2020	P	P	P
13.05.2020	P	P	P
08.06.2020	P	P	P
12.06.2020	P	P	P
20.06.2020	P	P	P
22.07.2020	P	P	P
10.08.2020	P	P	A
01.10.2020	P	P	A
22.10.2020	P	P	A
30.11.2020	P	P	A
30.12.2020	P	P	A
19.01.2021	P	P	A
22.02.2021	P	P	A
18.03.2021	P	P	A

(iii) Terms of Reference

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

- Availing term loans/working capital facilities/vehicle loans for business purposes from banks/financial institutions for an amount not exceeding Rs.700 crore including accepting sanction letters and renewal of existing bank limits, forex transactions and all such matters which are required for dealing with the banks/financial institutions on routine basis.
- Authorisation for dealing/laising 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.
- Authorisation for opening and closing of bank accounts, changes in signatories for operating the bank accounts etc.
- Authorisation for making investments in securities quoted on the stock exchanges.
- Authorisation for making investments in group companies.
- To take up any other assignments as may be granted by the Board from time to time.

F. MEETING OF INDEPENDENT DIRECTORS

As per Regulation 25(3) and 25(4) of the SEBI LODR Regulations, during the year under review, all the Independent Directors met on 15th March, 2021 and discussed inter-alia on:

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

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

GENERAL BODY MEETINGS

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

Annual General Meeting (AGM)	Date	Time of AGM	Location	No. of Special Resolutions passed
33 rd AGM	29 th September, 2020	02.00 P.M.	Through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') facility	1
32 nd AGM	26 th September, 2019	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	4
31 st AGM	28 th September, 2018	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	2

All resolutions moved at the Annual General Meeting held on 28th September, 2018 and 26th September, 2019 were passed though Poll (electronically and physical ballot).

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

Special Resolution proposed to be passed by way of Postal Ballot

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

CREDIT RATING

Rating Committee of ICRA has downgraded the long-term rating of [ICRA]BBB+(pronounced ICRA Triple B plus) assigned earlier to the captioned bank facilities of Rs 553.68 crore, to [ICRA]BBB (pronounced ICRA Triple B), and has assigned a long-term rating of [ICRA]BBB (pronounced ICRA Triple B) to the additional bank facilities of Rs 50-crore. The outlook on the long-term rating has been revised from Negative to Stable.

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

1.	AGM: Date, Time and Mode:	Day and Date: Wednesday, 29 th September, 2021 Time: 11:00 a.m. Through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.
2.	Financial Calendar for 2021 – 22	
	Financial year - April to March	
	Results for Quarter ending 30 th June 2021:	by 14 th of August, 2021
	Results for Quarter ending 30 th September 2021:	by 14 th of November, 2021
	Results for Quarter ending 31 st December 2021:	by 14 th of February, 2022
	Year ending 31 st March 2022:	by 30 th of May, 2022
3.	Book Closure:	Thursday the 23 rd September, 2021 to Wednesday the 29 th September, 2021 (both days inclusive)
4.	Dividend Payment Date:	Not applicable

5. Listing on Stock Exchanges & Stock Code

The Company is listed at following Stock Exchanges:-

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

The Annual listing fee for the year 2021-22 has been duly paid to both the Stock Exchanges. Demat ISIN Number with NSDL & CDSL for Equity shares - INE 828A01016

Annual Custody Issuer fee for the financial year 2021-22 has been paid by the Company to NSDL and CDSL.

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

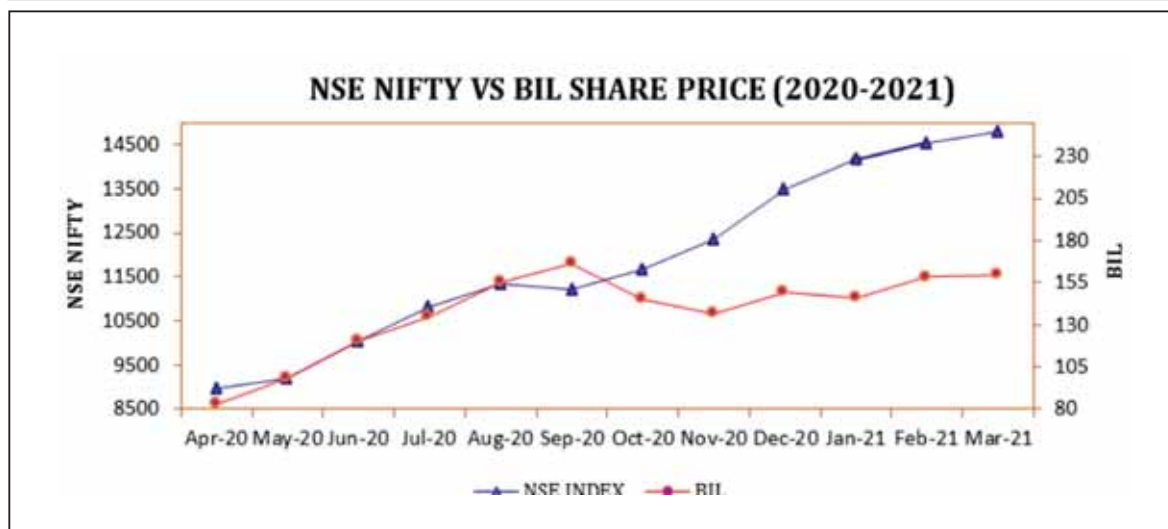
The E-mail ID sm@masserv.com has been designated exclusively for communicating investors' grievances, if any

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

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

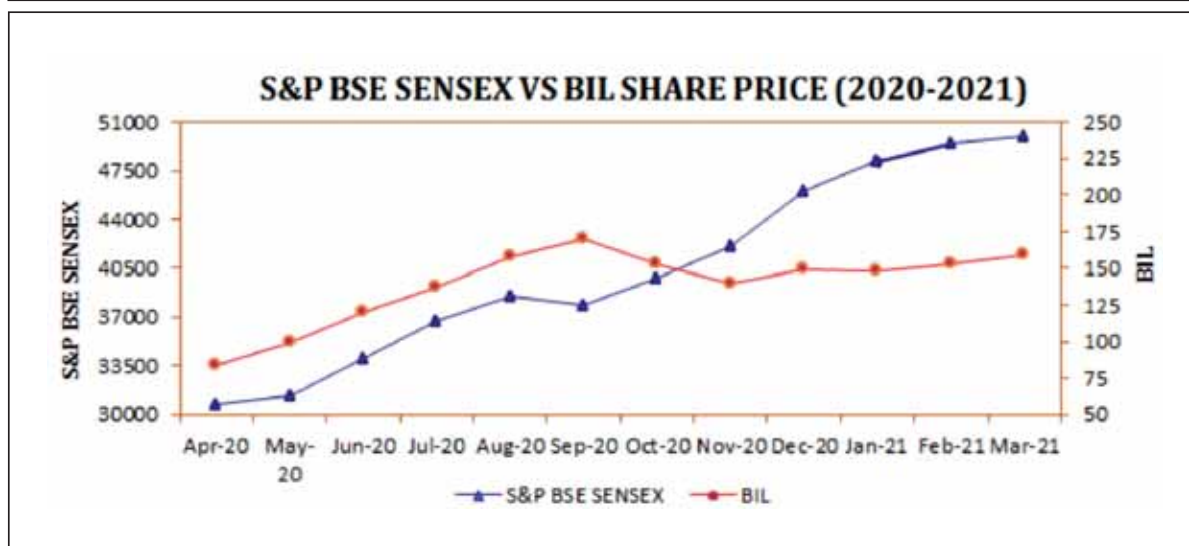
NSE

Months	BIL			Months	NSE Nifty		
	High (Rs.)	Low (Rs.)	Average (Rs.)		High (Rs.)	Low (Rs.)	Average (Rs.)
Apr-20	94.30	72.20	83.25	Apr-20	9889.05	8055.80	8972.43
May-20	116.25	80.00	98.13	May-20	9598.85	8806.75	9202.80
Jun-20	153.40	86.55	119.98	Jun-20	10553.15	9544.35	10048.75
Jul-20	149.80	119.35	134.58	Jul-20	11341.40	10299.60	10820.50
Aug-20	198.85	111.00	154.93	Aug-20	11794.25	10882.25	11338.25
Sep-20	185.00	148.50	166.75	Sep-20	11618.10	10790.20	11204.15
Oct-20	163.00	127.35	145.18	Oct-20	12025.45	11347.05	11686.25
Nov-20	147.05	126.50	136.78	Nov-20	13145.85	11557.40	12351.63
Dec-20	168.00	130.00	149.00	Dec-20	14024.85	12962.80	13493.83
Jan-21	159.30	132.35	145.83	Jan-21	14753.55	13596.75	14175.15
Feb-21	182.00	134.50	158.25	Feb-21	15431.75	13661.75	14546.75
Mar-21	174.30	145.00	159.65	Mar-21	15336.30	14264.40	14800.35

**BSE**

Months	BIL			Months	S&P BSE Sensex		
	High (Rs.)	Low (Rs.)	Average (Rs.)		High (Rs.)	Low (Rs.)	Average (Rs.)
Apr-20	94.80	72.30	83.55	Apr-20	33887.25	27500.79	30694.02
May-20	115.00	83.90	99.45	May-20	32845.48	29968.45	31406.97
Jun-20	151.65	87.60	119.63	Jun-20	35706.55	32348.10	34027.33
Jul-20	150.60	124.45	137.53	Jul-20	38617.03	34927.20	36772.12
Aug-20	203.30	113.35	158.33	Aug-20	40010.17	36911.23	38460.70
Sep-20	189.00	152.00	170.50	Sep-20	39359.51	36495.98	37927.75
Oct-20	176.00	131.00	153.50	Oct-20	41048.05	38410.20	39729.13

Months	BIL			Months	S&P BSE Sensex		
	High (Rs.)	Low (Rs.)	Average (Rs.)		High (Rs.)	Low (Rs.)	Average (Rs.)
Nov-20	148.00	130.00	139.00	Nov-20	44825.37	39334.92	42080.15
Dec-20	165.90	132.00	148.95	Dec-20	47896.97	44118.10	46007.54
Jan-21	161.10	134.00	147.55	Jan-21	50184.01	46160.46	48172.24
Feb-21	176.00	130.10	153.05	Feb-21	52516.76	46433.65	49475.21
Mar-21	174.30	142.60	158.45	Mar-21	51821.84	48236.35	50029.10



- 8. Registrar & Share Transfer Agent : MAS Services Ltd.**
 (For both Physical & Electronic Transfer etc.) T-34, 2nd Floor, Okhla Industrial Area,
 Phase-II, New Delhi - 110 020
 Tel. No. 26387281-83, Fax No. 26387384
 E-mail: info@masserv.com

9. Physical Share Transfer System:

As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective 1st April, 2020, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to 31st March, 2020 and have received the same under objection can reodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

10. Distribution of Shareholding as on 31st March, 2021

No. of Shares	Shareholders		Shareholding	
	Number	% to total	Number	% to total
Upto 500	4496	91.12	364691	2.99
501-1000	163	3.30	126789	1.04
1001-2000	84	1.70	124561	1.02
2001-3000	37	0.75	92818	0.76
3001-4000	25	0.51	91330	0.74
4001-5000	21	0.43	95084	0.78
5001-10000	42	0.85	304542	2.50
10001 & above	66	1.34	11002554	90.17
Total	4934	100.00	12202369	100.00

11. Shareholding Pattern as on 31st March, 2021

Category	No. of Share held	% of Paid up Capital
Promoters Holding	1483612	12.16
Persons acting in concert	5518037	45.22
Banks/Trusts/Financial Institutions	200	0.00
Central Government/State Government (IEPF)	51143	0.42
NRIs/OCBs/Foreign National/FII	1070435	8.77
Indian Corporate Bodies/LLPs	1238159	10.15
Indian Public (Individual and HUF)	2153328	17.65
Directors and relatives	40025	0.33
Clearing Members	647430	5.30
Total	12202369	100.00

12. Dematerialization of shares and liquidity share

: As on 31st March, 2021, 99.15% of the Paid-up capital has been dematerialized.

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

: During the year under review, the Company had allotted 500 equity shares under Employee Stock Option 2013 to the employees of the Company who had exercised their right to convert stock options into Equity shares. This results in increase in paid up Equity Capital to Rs. 12,20,23,690/-.

14. Plant Locations

: Bangalore, Chennai, Tada.

15. Address for Correspondence

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

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

DISCLOSURES

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

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

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

3. In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements

4. Company has laid down adequate procedure to inform the Board about the risk assessment and risk minimization procedures. Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.
5. Commodity price risks and commodity hedging activities – The Company is exposed to the risk of price fluctuation of raw materials and manages these risks proactively through inventory management and proactive vendor development practices.
6. There have been no instances of non-compliance by the Company on any matter related to capital markets and no penalties or strictures have been imposed by SEBI or the Stock Exchange during the last three years.
7. In compliance with the SEBI regulations on prevention of Insider Trading, the Company has constituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violation. Further, as per the guidelines on SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has implemented a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information.
8. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). **Not Applicable**
9. A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The Company has obtained the certificate in this regard and the same is annexed as a part of the report.
10. Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year. **Not Applicable.**
11. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part - Details relating to fees paid to the Statutory Auditors are given in Note 49 to the Standalone Financial Statements and Note 38 to the Consolidated Financial Statements.
12. Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanization provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.
13. **Demat Suspense Account/ Unclaimed Suspense Account** – The Company does not have any shares in the demat suspense account or unclaimed suspense account.
14. **SUBSIDIARY COMPANY**

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

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

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

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

NON-MANDATORY REQUIREMENTS

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

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

Insider Trading Code

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

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

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

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

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

Code of Conduct

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

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

The Company recognizes that sexual harassment violates fundamental rights of gender equality, right to life and liberty and right to work with human dignity as guaranteed by the Constitution of India. To meet this objective, measures have been taken to eliminate and to take necessary penal action for any act of sexual harassment, which includes unwelcome sexually determined behaviour. The Company has taken initiatives to create wide awareness amongst the employees about the policy for prevention of sexual harassment. There is no instance of sexual harassment reported during the financial year ending 2020-21.

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

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

SEBI COMPLAINT REDRESS SYSTEM (SCORES)

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDA)

MDA is attached separately in this Annual Report.

Reconciliation of Share Capital Audit:

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

Corporate Identity Number (CIN)

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

Transfer of Unclaimed / Unpaid Dividend to Investor Education and Protection Fund Authority

The Company shall be transferring the unclaimed/unpaid dividends as mentioned hereunder to the Investor Education and Protection Fund Authority, established by the Central Government, in terms of the provisions of Section 124 & 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer

and Refund) Rules, 2016. The tentative schedule for unclaimed dividend to be transferred to Investor Education and Protection Fund Authority is as under:

Financial Year Ended	Date by which unclaimed dividend amount will be credited/transferred to the "Investor Education and Protection Fund"
31.03.2014	13.10.2021
31.03.2015	26.10.2022
31.03.2016	03.11.2023
31.03.2017	01.11.2024
31.03.2018	02.11.2025
31.03.2019	31.10.2026
31.03.2020	N.A.

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

Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

In compliance with the provisions of Section 124 and 125 of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), as on date the Company has transferred 51143 (0.42%) equity shares of Rs. 10/- each of the Company, on which dividend remained unclaimed or unpaid for a period of seven consecutive years or more, to the Investor Education and Protection Fund Authority (IEPF Authority).

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

Before transferring the unclaimed dividends to IEPF, individual letters are sent to those Members whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. Company also published notice of such transfer in the newspaper, to claim their dividend amount to avoid transfer of the said unclaimed dividend and respective shares to IEPF. The details of unclaimed/unpaid dividend are available on the website of the Company www.bhartiya.com.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

Dematerialization of Shares — Process

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

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

Nomination Facility

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

Consolidation of Folios and avoidance of Multiple Mailing

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

National Electronic Clearing Services (NECS) Mandate

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

Compliance Certificate

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

CODE OF CONDUCT DECLARATION**Declaration**

A Code of Conduct for the Directors and Senior Management Personnel has already been approved by the Board of Directors of the Company. As provided under Regulation 26 (3) of the SEBI Listing Regulations, all Board Members and Senior Management Personnel have affirmed compliance with Bhartiya International Ltd Code of Business Conduct and Ethics for the year ended 31st March, 2021.

Gurugram, 29th June, 2021

Sd/-
Snehdeep Aggarwal
Chairman

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members
Bhartiya International Ltd.
56/7, Nallambakkam Village, (Via Vandalur),
Chennai - 600127 (Tamil Nadu)

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

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

For RSM & CO.
Company Secretaries

Sd/-
CS Ravi Sharma
Partner
FCS: 4468 | COP No.: 3666
UDIN: F004468C000790055
Peer Review Cert. No 978/2020

New Delhi, 13th August, 2021

CEO/CFO CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31st March, 2021)

To,
The Board of Directors
Bhartiya International Limited

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2021 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, 2021 are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D.
 - i. There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii. There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. We are not aware of any instance during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board

Gurugram, 13th August, 2021

Sd/-
Manoj Khattar
Whole-Time Director

Sd/-
Raj Kumar Chawla
Chief Financial Officer

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members
Bhartiya International Limited.

We have examined the compliance of Conditions of Corporate Governance by Bhartiya International Ltd. ("the Company") for the financial year ended on 31st March, 2021 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (referred to as "SEBI Listing Regulations, 2015").

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

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

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

For K A S G & CO.

Firm Registration No. 002228C
Chartered Accountants

R B Sharma

Partner
Mem. No. 075701
UDIN: 21075701AAAAAS7596

Gurugram, 13th August, 2021

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of

Bhartiya International Ltd

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Bhartiya International Ltd ('the Holding Company') and its subsidiaries (the Holding company and its subsidiaries together referred to as 'the Group') and its associate comprising the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group as at 31st March, 2021, its Consolidated Loss and Consolidated Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Auditor's Response
<p><u>Hedge Accounting and the Related Disclosures for Currency Derivatives:</u></p> <p>We identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because the evaluation of hedge effectiveness involved management's judgement and estimation.</p> <p>Besides, the changes in fair values of these currency derivatives also had a significant impact on the consolidated financial statements.</p> <p>As disclosed in note 50 to the consolidated financial statements, the Group was exposed to currency risk primarily arising from Foreign currency denominated Trade Receivables.</p>	<p><u>Principal Audit Procedures Performed:</u></p> <ul style="list-style-type: none"> • Obtaining an understanding of and testing the design and implementation and operating effectiveness of the management's controls over the valuation of currency derivatives and hedge accounting of holding company. • Inspecting the hedge documentations and contracts and evaluating the management's determination of mark to market valuations and assessment of hedge effectiveness, on a sample basis, to evaluate the accounting for these currency derivatives in accordance with the requirements of the relevant Indian Accounting Standards. • Obtaining confirmations from contract counterparties to verify the existence of each currency derivative held at 31 March, 2021. • Reperforming mark-to-market valuations on a sample basis to evaluate the reasonability of fair values of the currency derivatives and the hedge effectiveness thereof has been appropriately determined by the management; and • Assessed the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107-Financial Instruments: Disclosures, Ind AS 113- Fair Value Measurement.

Emphasis of Matter

We draw your attention to Note 52 to the Consolidated Financial Statements which states that the company's operations & financial results for the year ending 31st March, 2021 have been partially impacted by the outbreak of COVID-19 pandemic. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the group and its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group & its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group & its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities within the Group & its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial Statement of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

We did not audit the financial statements of five overseas subsidiaries and four local subsidiaries, whose financial statements reflect total assets of Rs 229.32 crores as at 31st March, 2021, total revenues of Rs. 203.35 crore and net cash outflows amounting to 0.85 crore for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

We have relied on the audited financial statements of both the associates wherein the group's share of Net Loss aggregate to Rs 8.87 Crores. These financial statements have been audited by other auditor whose financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts & disclosures included in respect of these associates is based solely on the reports of such other auditors.

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

Report on other legal and regulatory requirements

1. As required by 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 including Other Comprehensive Income, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind As) specified under Section 133 of the Act.

- e. On the basis of the written representations received from the directors of the Holding Company as on March 31st, 2021 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31st, 2021 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 Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Holding Company and its Indian Subsidiaries to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group & its associates.
 - ii) The provision has been made in the Consolidated Financial Statement as required under the applicable law or Ind As, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

for K A S G & CO.
Chartered Accountants
Firm's Registration No. 002228C

R. B.Sharma
Partner
Mem. No. 075701
UDIN: 21035701AAAAAM8977

Gurugram, 29th June, 2021

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 March 31st, 2021, we have audited the internal financial controls over financial reporting of Bhartiya International Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

financial controls over financial reporting with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for K A S G & CO.

Chartered Accountants

Firm's Registration No. 002228C

R. B.Sharma

Partner

Mem. No. 075701

UDIN: 21035701AAAAAM8977

Gurugram, 29th June, 2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021**Rs. in Lakhs**

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I Assets			
1 Non – Current Assets			
(a) Property, Plant and Equipment	5	10,526.92	10,759.10
(b) Capital Work-in-Progress	5.1	836.88	1,108.24
(c) Right to Use Asset	5.3	1,020.60	1,106.91
(d) Investment in Property	6	540.31	551.22
(e) Goodwill		25.25	25.25
(f) Intangible Assets	7	6,611.07	66.67
(g) Investments Accounted for using Equity Method	8	3,754.25	4,641.58
(h) Financial Assets			
(i) Investments	9	35.01	35.01
(ii) Loans	10	226.13	185.08
(i) Deferred tax assets		23.60	21.24
(j) Other Non-Current Assets	11	62.64	5,281.09
2 Current Assets			
(a) Inventories	12	42,096.95	42,695.80
(b) Financial Assets			
(i) Investments	13	–	–
(ii) Trade Receivables	14	14,019.68	12,629.07
(iii) Cash and Cash Equivalents	15	1,720.25	4,934.88
(iv) Bank Balances other than Cash & Cash Equivalents	16	2,201.13	1,166.86
(v) Loans	17	169.15	208.03
(vi) Others Financial Assets	18	3,024.00	2,753.67
(c) Current Tax assets (net)		339.61	352.10
(d) Other Current Assets	19	3,066.24	1,924.70
TOTAL ASSETS		90,299.67	90,446.50
II Equity and Liabilities			
1 Equity			
(a) Equity Share Capital	20	1,220.24	1,220.19
(b) Other Equity	21	32,811.74	33,455.76
2 Liabilities			
Non – Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	12,285.75	5,925.92
(ii) Other Financial Liabilities	23	616.03	629.17
(b) Provisions	24	41.52	86.27
(c) Other Non-Current Liabilities	25	133.74	109.34
(d) Deferred Tax Liabilities		589.40	583.59
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	26	28,817.12	37,307.49
(ii) Trade payables	27		
- Total outstanding dues of micro enterprises and small enterprises		533.17	835.30
- Total outstanding dues of creditors other than micro enterprises and small enterprises		9,706.86	6,884.22
(iii) Other Financial Liabilities	28	2,956.01	2,256.55
(b) Provisions	29	357.07	375.92
(c) Other Current Liabilities	30	118.36	217.62
(d) Current Tax Liabilities (Net)		112.66	559.16
TOTAL OF EQUITY AND LIABILITIES		90,299.67	90,446.50
Significant Accounting Policies	4		
The accompanying notes are an integral part of the financial statements	1 to 52		

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

R.B.Sharma

Partner

Mem. No. 075701

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

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

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

Gurugram, 29th June, 2021

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Rs. in Lakhs

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
INCOME			
Revenue from Operations	31	54,839.35	72,069.58
Other Income	32	495.09	435.50
Total Income		55,334.44	72,505.08
EXPENSES			
Cost of material consumed	33	21,352.81	32,426.79
Purchases of Stock-in-Trade		11,699.60	10,532.32
Change in Inventories of Finished Goods	34	89.19	(688.01)
Employee Benefits Expense	35	4,607.39	4,777.62
Finance Costs	36	2,385.98	2,491.33
Depreciation and Amortization Expense	37	1,033.49	998.01
Other Expenses	38	13,867.95	19,056.78
Total Expenses		55,036.41	69,594.84
Profit/ (Loss) before Share of net Profit/(Loss) of Associate		298.03	2,910.24
Share of net profit/(Loss) of Associates		(887.33)	(348.68)
III Profit/ (Loss) before exceptional Items and Tax		(589.30)	2,561.56
Exceptional Items		-	-
Profit / (Loss) before Tax		(589.30)	2,561.56
Tax expenses	39		
i Current Tax		33.78	865.62
ii Deferred Tax		(5.41)	(429.75)
Profit / (Loss) for the year		(617.67)	2,125.69
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Remeasurements of the defined benefit plans		34.63	40.08
Income tax relating to above items		(8.87)	(10.20)
Total Comprehensive Income for the Year		(591.91)	2,155.57
Profit Attributable to :			
Owners		(614.66)	2,127.31
Non-controlling Interests		(3.01)	(1.62)
Other Comprehensive income Attributable to :			
Owners		25.76	29.85
Non-controlling Interests		-	0.03
Total Comprehensive income Attributable to :			
Owners		(588.90)	2,157.16
Non-controlling Interests		(3.01)	(1.59)
Earnings per equity share of Face Value			
Basic (in Rupees)		(4.83)	17.67
Diluted (in Rupees)		(4.82)	17.61
Significant Accounting Policies	4		
The accompanying notes are an integral part of the financial statements	1 to 52		

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

R.B.Sharma

Partner

Mem. No. 075701

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Company Secretary

Raj Kumar Chawla

Chief Financial Officer

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

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

Gurugram, 29th June, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Equity Share Capital										Rs. in Lakhs
Particulars		Notes		Amount						
Balance as at 31st March, 2019										
Change in equity share capital during the year 2019-20										
Balance as at 31st March, 2020		20.1		0.77		1,220.19		1,220.24		
Change in equity share capital during the year 2020-21										
Balance as at 31st March, 2021		20.1		0.05		1,220.24		1,220.24		
Other Equity (Refer note no. 21)										
Particulars		Reserves and Surplus							Total	
	Share application money pending for allotment	Employee Stock Options outstanding	Preferential share Warrant Forfeited	" Non – controlling Interest "	Foreign Currency Translation Reserve (FCTR)	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income(defined benefit plan)
Balance as at 31st March, 2019	-	227.14	925.75	147.56	178.49	8,470.77	7,798.20	3,306.53	17,229.98	(8.17)
Profit for the year	-	-	-	(1.62)	-	-	-	-	2,127.31	-
Other comprehensive income for the year	-	-	-	0.03	-	-	-	-	29.85	29.85
Securities premium on issue of share	-	-	-	-	-	-	36.26	-	-	36.26
Transfer from Retained Earning to General Reserve	-	-	-	-	-	-	-	-	(200.00)	-
Transfer to General Reserve	-	-	-	-	-	-	-	200.00	-	200.00
Employee Stock Option Reserve for the year	-	37.01	-	-	-	-	-	-	-	37.01
Transfer to Security premium on issue of share	-	(33.18)	-	-	-	-	-	-	(33.18)	-
Dividends & Dividends distribution tax	-	-	-	-	-	-	-	-	(176.75)	-
Currency Fluctuation Reserve	-	-	-	-	517.51	-	-	-	-	517.51
Share of Associate Prior period Profit Adj.	-	-	-	-	-	-	-	-	(7,356.91)	-
Balance as at 31st March, 2020	-	230.97	925.75	145.97	696.00	8,470.77	7,834.46	3,506.53	11,623.63	21.68
Profit for the year	-	-	-	(3.01)	-	-	-	-	(614.66)	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	25.76	25.76
Securities premium on issue of share	-	-	-	-	-	-	2.35	-	-	2.35
Transfer to Security premium on issue of share	-	(2.15)	-	-	-	-	-	-	-	(2.15)
Transfer from ESOP	-	(118.85)	-	-	-	-	-	118.85	-	-
Currency Fluctuation Reserve	-	-	-	-	(52.68)	-	-	-	-	-
Money Received during the year	0.37	-	-	-	-	-	-	-	-	(52.68)
Balance as at 31st March, 2021	0.37	109.97	925.75	142.96	643.32	8,470.77	7,836.81	3,625.38	11,008.97	47.44
Nature and Purpose										
Represents amount received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.										
Represents accumulated profits set apart by way of transfer from current year profits or/and retained earnings for "other than specified purposes"										
General Reserve										

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

R.B.Sharma

Partner

Mem. No. 075701

Gurugram, 29th June, 2021

For and on behalf of the Board**Yogesh Kumar Gautam**

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

Manoj Khattar

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

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

Particulars	Rs. in Lakhs	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per statement of Profit and loss	(589.30)	2,561.56
<i>Adjustment for :</i>		
Share of (profit)/Loss of Associates	887.33	348.68
Finance Cost	2,385.98	2,491.33
Depreciation and Amortisation expenses	1,033.49	998.01
Provision for Employee Stock Option Benefits	—	37.01
Loss/(Profit) on sale of fixed assets (net)	6.24	(1.80)
Loss/(Profit) on sale of investments (net)	—	-
Rental Income	(300.00)	(354.74)
Dividend Income	—	-
Interest Income	(8.82)	(19.05)
Government Grant Income	(4.17)	(2.07)
Operating profit/(loss) before Working Capital Changes	3,410.75	6,058.93
<i>Movements in working capital:</i>		
Increase/ (decrease) in trade payables	2,520.51	(2,486.46)
Increase/ (decrease) in other financial liabilities	(425.13)	(1.90)
Increase/ (decrease) in other liabilities	(106.24)	(295.56)
Increase/ (decrease) in provisions	(28.98)	9.65
Decrease/ (increase) in inventories	598.85	(2,592.33)
Decrease/ (increase) trade receivables	(1,390.61)	(320.54)
Decrease/ (increase) in loan	(2.18)	105.48
Decrease/ (increase) in other current financial assets	(270.32)	1,505.85
Decrease/ (increase) in other current assets	(1,141.53)	22.53
Decrease/ (increase) in other non-current assets	(5.27)	82.76
Decrease/ (increase) in other non-current financial assets	—	(2,609.66)
Cash (used in) / generated from operations	3,159.85	(521.25)
Income tax paid (Net)	(467.84)	(708.22)
Currency Fluctuation reserve consolidation	(52.68)	517.51
Net cash (used in)/ generated from operating activities – (A)	2,639.33	(711.96)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,703.60)	(1,038.03)
Capital advance/Capital creditors (net)	29.02	(42.45)
Proceeds from sale of fixed assets	4.12	6.32
Purchase of non current investments(net)	—	(35.00)
Security deposit	33.48	(57.29)
Rental Income	300.00	354.74
Interest Income	8.82	19.05
Fixed Deposit with Bank	(1,034.26)	(366.37)
Net cash from/ (used in) investing activities – (B)	(2,362.42)	(1,159.03)

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

Particulars	Rs. in Lakhs	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	7,461.62	11.25
Proceeds from short-term borrowings (net)	(8,490.37)	5,788.43
Payment of lease Liability	(128.33)	(114.84)
Share Capital including securities premium	0.62	3.85
Interest and processing fees paid (net)	(2,335.08)	(2,442.97)
Dividend paid (including dividend tax)	—	(176.75)
Net cash from/ (used in) financing activities – (C)	<u>(3,491.54)</u>	<u>3,068.97</u>
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	(3,214.63)	1,197.98
Cash and cash equivalents as at beginning of the year	4,934.88	3,736.90
Cash and cash equivalents as at the end of the year	<u>1,720.25</u>	<u>4,934.88</u>
Components of cash and cash equivalents:		
Cash on hand	36.07	40.05
Balances with scheduled banks:		
In current accounts	1,629.19	2,591.74
In deposit accounts	54.99	2,303.09
Cash and cash equivalents in cash flow statement	<u>1,720.25</u>	<u>4,934.88</u>

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

R.B.Sharma

Partner

Mem. No. 075701

Gurugram, 29th June, 2021

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

For and on behalf of the Board

Manoj Khattar

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

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

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

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

3 Principles of Consolidation

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

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

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

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

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

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

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

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

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

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

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

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, Plant and Equipment

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

4.2 Investment Properties

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

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

4.3 Intangible Assets

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

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

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

4.4 Lease

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

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

Company as a Lessee

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

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

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

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

(ii) Lease Liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

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

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

Company as a Lessor

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

4.5 Inventories

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

4.6 Cash & Cash Equivalents

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

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

4.7 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

4.8 Financial instruments

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

Financial Assets

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

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

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 TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Debt Instruments:

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

(a) Measured at Amortised Cost:

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

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

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

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

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

Equity Instruments:

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

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

Derecognition

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

Financial Liabilities

Initial Recognition and Measurement

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

Subsequent Measurement

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

Loans and Borrowings

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Derivative Instruments:

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

4.9 Provision and Contingent Liabilities

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

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

4.10 Revenue Recognition

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

Revenue from Services

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

Other operating revenue – Export incentives

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

Interest Income

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

Dividend Income

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

4.11 Foreign Currency Translation

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

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

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

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

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

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

Rs. in Lakhs

Particulars	LAND		OTHER THAN LAND					Total
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	
Gross Carrying Amount								
Balance as at 31st March, 2019	255.70	5,228.68	5,671.74	508.98	226.77	358.36	182.77	12,433.00
Addition	-	41.80	704.47	81.42	17.11	41.63	27.31	913.74
Disposal	-	-	4.61	-	7.79	-	-	12.40
Balance as at 31st March, 2020	255.70	5,270.48	6,371.60	590.40	236.09	399.99	210.08	13,334.34
Addition	-	301.36	219.93	42.91	-	19.81	9.67	593.68
Disposal	-	-	23.66	-	13.78	0.85	2.79	41.08
Balance as at 31st March, 2021	255.70	5,571.84	6,567.87	633.31	222.31	418.95	216.95	13,886.94
Accumulated Depreciation								
Balance as at 31st March, 2019	-	453.01	860.41	145.97	76.02	138.38	116.95	1,790.74
Addition	-	168.48	424.80	77.85	31.50	50.91	38.84	792.38
Disposal	-	-	1.80	-	6.08	-	-	7.88
Balance as at 31st March, 2020	-	621.49	1,283.41	223.82	101.44	189.29	155.79	2,575.24
Addition	-	169.04	456.62	80.50	28.30	50.61	29.55	814.62
Disposal	-	-	14.34	-	12.15	0.71	2.64	29.84
Balance as at 31st March, 2021	-	790.53	1,725.69	304.32	117.59	239.19	182.70	3,360.02
Net Carrying Amount								
Balance as at 31st March, 2020	255.70	4,648.99	5,088.19	366.58	134.65	210.70	54.29	10,759.10
Balance as at 31st March, 2021	255.70	4,781.31	4,842.18	328.99	104.72	179.76	34.26	10,526.92

5.1 Capital Work in Progress

Rs. in Lakhs

31st March, 2020	1,108.24
31st March, 2021	836.88

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 RIGHT OF USE ASSETS

Particulars	Land	Building	Total
Balance as at 31st March, 2019	-	-	-
Addition	532.34	689.06	1,221.40
Disposal	-	-	-
Balance as at 31st March, 2020	532.34	689.06	1,221.40
Addition	-	45.13	45.13
Disposal	-	-	-
Balance as at 31st March, 2021	532.34	734.19	1,266.53
Accumulated Depreciation			
Balance as at 31st March, 2019			
Addition	12.64	101.85	114.49
Disposal	-	-	-
Balance as at 31st March, 2020	12.64	101.85	114.49
Addition	12.64	118.80	131.44
Disposal	-	-	-
Balance as at 31st March, 2021	25.28	220.65	245.93
Net Carrying Amount			
Balance as at 31st March, 2020	519.70	587.21	1,106.91
Balance as at 31st March, 2021	507.06	513.54	1,020.60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

6. INVESTMENT PROPERTIES

Rs. in Lakhs

Particulars	Land & Building
Gross Carrying amount	
Balance as at 31st March, 2019	594.85
Addition	
Disposal	
Balance as at 31st March, 2020	594.85
Addition	
Disposal	
Balance as at 31st March, 2021	594.85
Accumulated Depreciation	
Balance as at 31st March, 2019	32.72
Addition	10.91
Disposal	
Balance as at 31st March, 2020	43.63
Addition	10.91
Disposal	
Balance as at 31st March, 2021	54.54
Net Carrying Amount	
Balance as at 31st March, 2020	551.22
Balance as at 31st March, 2021	540.31
Fair Value	
As at 31st March, 2020	3,441.73
As at 31st March, 2021	3224.05

6.1 INVESTMENT PROPERTIES

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Rental income derived from investment properties	253.35	253.35
Direct operating expenses (including repairs and maintenance) generating rental income	—	-
Income Arising from Investment Properties before Depreciation	253.35	253.35
Depreciation	10.91	10.91
Income from Investment Properties (Net)	242.44	242.44

6.2 Maturity Analysis of Lease Payments to be received in aggregate & each of following year:

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Not later than one year	235.35	253.35
Later than one year and not later than five years	986.57	969.73
Later than five years	699.47	951.66

6.3 Estimation of Fair Value

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**7. INTANGIBLE ASSETS****Rs. in Lakhs**

Particulars	Goodwill	Computer Software	Brand/ Patent	Total
Gross Carrying Amount				
Balance as at 31st March, 2019	7.99	309.75	-	317.74
Addition	-	13.53	-	13.53
Disposal	-	-	-	-
Balance as at 31st March, 2020	<u>7.99</u>	<u>323.28</u>	-	<u>331.27</u>
Addition	-	9.58	6,611.33	6,620.91
Disposal	-	-	-	-
Balance as at 31st March, 2021	<u>7.99</u>	<u>332.86</u>	<u>6,611.33</u>	<u>6,952.18</u>
Accumulated Depreciation				
Balance as at 31st March, 2019	7.99	176.38	-	184.37
Addition	-	80.23	-	80.23
Disposal	-	-	-	-
Balance as at 31st March, 2020	<u>7.99</u>	<u>256.61</u>	-	<u>264.60</u>
Addition	-	30.39	46.12	76.51
Disposal	-	-	-	-
Balance as at 31st March, 2021	<u>7.99</u>	<u>287.00</u>	<u>46.12</u>	<u>341.11</u>
Net Carrying Amount				
Balance as at 31st March, 2020	-	66.67	-	66.67
Balance as at 31st March, 2021	-	45.86	6,565.21	6,611.07

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Particulars	No. of Shares/Units	As at 31st March, 2021	No. of Shares/Units	As at 31st March, 2020
Investments in Associates (Unquoted at Cost)				
(a) Investment in Associate Company #				
Equity Shares	34,393,260	3,754.25	34,393,260	4,641.58
		<u>3,754.25</u>		<u>4,641.58</u>
#Particulars of Investment in Associate Company				
A) Bhartiya Urban Pvt. Ltd. (Formerly known as Bhartiya City Developers Pvt. Ltd.)				
% of ownership interest		36.77%		36.77%
Cost of Acquisition		3,999.60		3,999.60
Share of Reserves & Surplus		(244.67)		642.66
Carrying Value		<u>3,754.93</u>		<u>4,642.26</u>
B) TADA Mega Leather Cluster Pvt. Ltd.				
% of ownership interest		50.00%		50.00%
Cost of Acquisition		0.50		0.50
Share of Reserves & Surplus		(1.18)		(1.18)
Carrying Value		<u>(0.68)</u>		<u>(0.68)</u>
Total (A+B)		<u>3,754.25</u>		<u>4,641.58</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**9. NON – CURRENT INVESTMENTS****Rs. in Lakhs**

Particulars	As on 31st March, 2021		As on 31st March, 2020	
	Units/ Share (No.)	Amount (Rs.)	Units/ Share (No.)	Amount (Rs.)
A) Investments in Mutual Funds (Unquoted)				
At Fair value through Profit and loss				
i) Reliance ETF Liquid BeES	1.124	0.01	1.093	0.01
		<u>0.01</u>		<u>0.01</u>
B) Investments in Equity Shares (Unquoted)				
At Fair value through Profit and loss				
i) Pallavaram Tanners Industrial Effluent Treatment co. Ltd.	31,525	35.00	31,525	35.00
Total (A+B)		<u>35.01</u>		<u>35.01</u>
Aggregate amount of unquoted Investments		35.01		35.01
Aggregate amount of impairment in value of unquoted Investments		-		-

10. NON – CURRENT LOAN

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured & Considered Good)		
(a) Security and Other Deposits	226.13	144.90
(b) Loan to Employee	–	40.18
TOTAL	<u>226.13</u>	<u>185.08</u>

11. OTHER NON CURRENT ASSETS

(a) Capital Advances	37.85	57.88
(b) Security Deposit with Govt.Authority	8.63	8.63
(c) Prepaid Expenses	0.60	1.20
(d) Prepayment Lease Rent	15.56	10.17
(e) Other Advances	–	5,203.21
TOTAL	<u>62.64</u>	<u>5,281.09</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**12. INVENTORIES**

Particulars	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
(a) Raw Materials	27,889.02	28,127.39
(b) Raw Materials -In transit	87.86	141.64
(c) Stock-in-Progress	651.46	2,197.63
(d) Finished Goods	9,839.82	8,672.89
(e) Consumable Store	3,628.79	3,556.25
TOTAL	42,096.95	42,695.80

13. CURRENT INVESTMENT

Particulars	As at 31st March, 2021		As on 31st March, 2020	
	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)
A) Investment In Equity Instrument (Unquoted)				
At Fair value through Profit and Loss				
i) Sai Rayalaseema Paper Mills Ltd.	31,792	—	31,792	—
		—		—
Aggregate Amount of Unquoted Investments		—		—

14. TRADE RECEIVABLES

Particulars	As at	
	31st March, 2021	31st March, 2020
(Unsecured, Considered good)		
(a) Trade Receivable	14,019.68	12,629.07
(b) Receivable from related parties	—	—
TOTAL	14,019.68	12,629.07

15. CASH AND CASH EQUIVALENT

a) Balances with Banks		
In current accounts	1,629.19	2,591.74
In deposit accounts	54.99	2,303.09
b) Cash on Hand	36.07	40.05
TOTAL	1,720.25	4,934.88

16. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

a) Fixed Deposit with the bank	2,194.01	1,158.33
b) Unclaimed dividend accounts	7.12	8.53
TOTAL	2,201.13	1,166.86

16.1 Fixed deposits of Rs. 2194.01 Lacs (previous year Rs. 1158.33 Lacs) are pledged with the banks for various limits and facilities granted.

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured & Considered Good)		
(a) Security and Other Deposits	73.43	49.88
(b) Loan to Employee	95.72	158.15
TOTAL	<u>169.15</u>	<u>208.03</u>

18. OTHER CURRENT FINANCIAL ASSETS

a) Export incentive receivable	1,779.74	1,471.69
b) Insurance claim receivable	132.57	139.56
c) Vat /GST receivable	1,038.32	1,142.24
d) Other Advance	51.72	0.18
e) Derivatives Foreign Exchange Forward Contract	21.65	-
TOTAL	<u>3,024.00</u>	<u>2,753.67</u>

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

19. OTHER CURRENT ASSETS

a) Advances with Suppliers	2,614.20	1,596.03
b) Prepaid Expenses	414.58	309.88
c) Security Deposit with Govt. Authority	-	0.18
d) Mat Credit Entitlement	14.55	14.58
e) Other Advances	22.00	3.60
f) Prepayment Lease Rent	0.91	0.43
TOTAL	<u>3,066.24</u>	<u>1,924.70</u>

20. SHARE CAPITAL**Authorised Share Capital**

a) 20,000,000 (31st March, 2020: 20,000,000) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
b) 500,000 (31st March, 2020: 500,000) Preference Shares of Rs. 100/- each	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>

Issued, Subscribed & Paid up :

a) 12,202,369 (31st March, 2020: 12,201,869) Equity Shares of Rs. 10/- each fully paid Up.	1,220.24	1,220.19
TOTAL	<u>1,220.24</u>	<u>1,220.19</u>

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

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	12,201,869	1,220.19	12,194,174	1,219.42
Shares Issued during the year	500	0.05	7,695	0.77
Shares outstanding at the end of the year	12,202,369	1,220.24	12,201,869	1,220.19

20.2 The details of Shareholders holding more than 5% shares

Name of the Share holders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehdeep Aggarwal	1,143,362	9.37	1,143,362	9.37
(b) Bhartiya Infotech Pvt. Ltd.	1,010,000	8.28	1,000,000	8.20
(c) Bhartiya Global Ventures Pvt. Ltd.	3,047,100	24.97	2,215,100	18.15
(d) Bhartiya Advisory Services Pvt. Ltd.	681,913	5.59	681,913	5.59
(e) TIMF Holdings	706,474	5.79	706,474	5.79
(f) Superfine Carpets Pvt.Ltd.	—	—	659,266	5.40

20.3 Shares Reserved for issue under options

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2020 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	25,511	91,823

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

Rs. in Lakhs

Particulars	31st March, 2021	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
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.	500	7,695	12,920	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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion of the number of equity share held by the shareholders.

20.6 During the Year, the company has allotted 500 Equity share of Rs.10/- each fully paid to its employees under Employee Stock Option Plan (ESOP 2013).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

21. Other Equity	Rs. in Lakhs									
	Particulars	Reserves and Surplus								Total
	Share application money pending for allotment	Employee Stock Options outstanding	Preferential share Warrant Forfeited	" Non-controlling Interest "	Foreign Currency Translation Reserve (FCTR)	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (defined benefit plan)
Balance as at 31st March, 2019	-	227.14	925.75	147.56	178.49	8,470.77	7,798.20	3,306.53	17,229.98	(8.17)
Profit for the year	-	-	-	(1.62)	-	-	-	-	2,127.31	-
Other comprehensive income for the year	-	-	-	0.03	-	-	-	-	-	29.85
Securities premium on issue of share	-	-	-	-	-	-	36.26	-	-	-
Transfer from Retained Earning to General Reserve	-	-	-	-	-	-	-	-	(200.00)	-
Transfer to General Reserve	-	-	-	-	-	-	-	200.00	-	-
Employee Stock Option Reserve for the year	-	37.01	-	-	-	-	-	-	-	-
Transfer to Security premium on issue of share	-	(33.18)	-	-	-	-	-	-	-	-
Dividends & Dividends distribution tax	-	-	-	-	-	-	-	-	(176.75)	-
Currency Fluctuation Reserve	-	-	-	-	517.51	-	-	-	-	-
Share of Associate Prior period Profit Adj.	-	-	-	-	-	-	-	-	(7,356.91)	-
Balance as at 31st March, 2020	-	230.97	925.75	145.97	696.00	8,470.77	7,834.46	3,506.53	11,623.63	21.68
Profit for the year	-	-	-	(3.01)	-	-	-	-	(614.66)	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	25.76
Securities premium on issue of share	-	-	-	-	-	-	2.35	-	-	-
Transfer to Security premium on issue of share	-	(2.15)	-	-	-	-	-	-	-	-
Transfer from ESOP	-	(118.85)	-	-	-	-	-	118.85	-	-
Currency Fluctuation Reserve	-	-	-	-	(52.68)	-	-	-	-	-
Money Received during the year	0.37	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	0.37	109.97	925.75	142.96	643.32	8,470.77	7,836.81	3,625.38	11,008.97	47.44
										32,811.74

21.1 This represents group's share of loss in associate M/s Bhartiya Urban Private Limited (Formerly known as Bhartiya City Developers Private Limited) for the year ending 31st March, 2019. The company in its consolidated financial statement for the year ending 31st March, 2019 had taken group's share of Profit/loss of the associate based on unaudited financial statement as approved by Board of Directors the associate. Subsequently, group's share of Profit/(loss) has been changed by Rs. (±) 7356.91 Lakhs in audited financial statement of associate mainly on account of adoption of Ind AS 115 Revenue from Contracts with Customers.

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
- Term Loans from Banks	12,268.58	5,888.00
- Vehicle Loans from Banks	17.17	37.92
TOTAL	12,285.75	5,925.92

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 43.41 lacs (March 31, 2020 Rs. 161.77 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 15 Quarterly Installment starting from September 2017. Last installment due in June, 2021. Rate of interest 8.80 % p.a. as at year end (previous year - 10.25 %)
22.2	Term Loans from HDFC Bank, subsequent disbursement , balance outstanding amounting to Rs 9.90 lacs (March 31, 2020 Rs. 36.84 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 15 Quarterly Installment starting from September 2017. Last installment due in June, 2021. Rate of interest 8.80 % p.a. as at year end (previous year - 10.25 %)
22.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 250.60 lacs (March 31, 2020 is Rs. 350.00 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The loan is repable in 20 quarterly Installment starting from Nov 2017. Last installment due in Nov 2022. Rate of Interest 8.30 % p.a. as at year end (Previous Year 9.35 %)
22.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 1850.42 lacs (March 31, 2020 is Rs. 1994.10 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	Repayable in 40 Quarterly Installment starting from Oct, 2018. Last installment due in Aug 2028. Rate of Interest 8.40 % p.a. as at year end (Previous Year 9.35 %.)
22.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 92.16 lacs (March 31, 2020 is Rs. 128.69 lacs) is secured by First Charge on the commercial property situated at Institutional Plot No 38, Sector 44, Gurgaon and personal guarantee of one of the Director.	The loan is repable in 19 quarterly Installment starting from Feb 2018. Last installment due in Nov 2022. Rate of Interest 8.35 % p.a. as at year end (Previous Year 9.40%)
22.6	Term Loan from Yes Bank, balance outstanding amounting to Rs. 228.00 lacs (March 31, 2020 Rs. 258.40 lacs) 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, Andhara Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repable in 20 Quarterly Installment starting from July 2019. Last installment due in Oct 2024. Rate of interest 10.35 % p.a. as at year end.(Previous Year 10.35%)
22.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 225.00 Lacs (March 31, 2020 Rs. 300.00) 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, Andhara Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repable in 20 Quarterly Installment starting from June 2018. Last installment due in Jun 2024. Rate of interest 10.35 % p.a. as at year end (previous year - 10.35 %)

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

	Nature of Security	Terms of Repayment
22.8	Term Loans from Union Bank, balance outstanding amounting to Rs 258.33 lacs (March 31, 2020 Rs. NIL lacs) is secured by First pari passu charge on inventory, Book debts and other current assets of the company present and future along with other working capital lenders .	The Loan is repable in 18 Monthly Installment starting from Jan 2021. Last installment due in Jun 2022. Rate of interest 8.00 % p.a. as at year end.
22.9	Term Loans from HDFC Bank, balance outstanding amounting to Rs 550.00 lacs (March 31, 2020 is Rs. Nil lacs) is Secured by the Post dated cheques and Personal Guarantee of one Director.	The loan is repaable in 2 Equal Installment starting from Apr 2021. Last installment due in May 2021. Rate of Interest 9.00 % p.a. as at year end.
22.10	Term Loans from INDUSIND Bank, balance outstanding amounting to Rs 4,888.09 lacs (March 31, 2020 is Rs. Nil lacs) is secured by Equitable Mortgage of 9 acres 81 cents land situated in Tamil Nadu. Personal Guarantee of one of the Director.	The Loan is repable in 23 Quarterly Installment starting from Sep 2020. Last installment due in Mar 2026. Rate of interest 11.00 % p.a. as at year end .
22.11	Term Loans from SBI Bank, balance outstanding amounting to Rs 560.00 lacs (March 31, 2020 is Rs. Nil lacs) . Secured by all existing securities given for Working Capital Loan	The Loan is repable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 7.95 % p.a. as at year end .
22.12	Term Loans from SBM Bank, balance outstanding amounting to Rs 983.00 lacs (March 31, 2020 is Rs. Nil lacs) is secured by second charge on the entire current assets of the company both present and future. Personal Guarantee of one of the Director .	The Loan is repable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 9.25 % p.a. as at year end .
22.13	Term Loan from Yes Bank, balance outstanding amounting to Rs. 39.04 lacs (March 31, 2020 Rs. Nil lacs) .Secured by all existing securities given for various Loans.	The Loan is repable in 20 Quarterly Installment starting from Jul 2020. Last installment due in Jul 2025. Rate of interest 10.35 % p.a. as at year end .
22.14	Term Loan from Yes Bank, balance outstanding amounting to Rs. 344.00 lacs (March 31, 2020 Rs. Nil lacs) is secured by second charge on Immoveable fixed (Land & Building) of the plot admeasuring 20.01 acres, Located at khasra no. 1,2,3, in Akkampeta Village and Khasra no.287 & 288 Kadaluru village, Tada mandal, Nellore District,Andhra Pradesh.	The Loan is repable in 48 Monthly Installment starting from Mar 2022. Last installment due in Feb 2026. Rate of interest 8.85 % p.a. as at year end .
22.15	Term Loans from Indsind Bank, balance outstanding amounting to Rs 116.38 lacs (March 31,2020 Rs. 127.30 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 61 Monthly Installment starting from March 2018. Last installment due in March 2023. Rate of interest 10.40 % p.a. as at year end (previous year - 10.40%)
22.16	Term Loans from Indusand Bank, balance outstanding amounting to Rs 3350.98 lacs (March 31,2020 Rs.2947.66 lacs) is secured by Exclusive charge on undergone project and Cash Flows, receivables, book debts and revenue of the company.	The Loan is repable in 16 Quarterly Installment starting from March 2022. Last installment due in December 2025. Rate of interest 4.19 % p.a. as at year end
22.17	Term Loans from Deutsche Bank, balance outstanding amounting to Rs lacs 7.84 Lacs (March 31, 2020 Rs. 38.56 lacs) is secured by Exclusive charge Cash Flows, receivables, book debts and revenue of the company.	The Loan is repable in 48 Monthly Installment starting from July 2016. Last installment due in June 2020. Rate of interest 1.02 % p.a. as at year end
22.18	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**23. OTHER NON – CURRENT FINANCIAL LIABILITIES****Rs. in Lakhs**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Security Deposit with Related Parties	129.37	95.89
(b) Lease Liability#	486.66	533.28
TOTAL	<u>616.03</u>	<u>629.17</u>

The maturity analysis of lease liabilities is disclosed in note no. 50.

24. NON – CURRENT PROVISION

(a) Provision for Employees Benefit	41.52	86.27
TOTAL	<u>41.52</u>	<u>86.27</u>

25. OTHER NON – CURRENT LIABILITIES

(a) Government Grant	57.02	25.63
(b) Advance Lease Rent	76.72	83.71
TOTAL	<u>133.74</u>	<u>109.34</u>

26. CURRENT BORROWING**Secured**

- Working Capital Loans From Banks	28,817.12	37,307.49
TOTAL	<u>28,817.12</u>	<u>37,307.49</u>

26.1 Working Capital facilities are secured against hypothecation of stocks of raw - materials, stock in process, finished goods, Other Current assets , specified immovable property, movable fixed assets, lien on fixed deposits, exports bills and personal guarantee of Director.

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

27. TRADE PAYABLE

(a) Acceptances	3,046.48	260.51
(b) Payable to Micro and Small Enterprises	533.17	835.30
(c) Payable to others than Micro and Small Enterprises	6,660.38	6,623.71
TOTAL	<u>10,240.03</u>	<u>7,719.52</u>

28. OTHER CURRENT FINANCIAL LIABILITIES

(a) Current maturities of Long -Term Debt	1,961.12	859.37
(b) Interest Accrued	57.51	124.92
(c) Unpaid Dividend	7.12	8.53
(d) Due to Employee	427.65	384.29
(e) Expenses Payable	197.86	180.21
(f) Statutory Dues Payable	178.37	136.42
(g) Capital Payables	18.19	9.20
(h) Other Payable	5.05	60.64
(i) Derivatives - Foreign Exchange Forward Contract	—	403.68
(j) Lease Liability	103.14	89.29
TOTAL	<u>2,956.01</u>	<u>2,256.55</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**29. PROVISIONS**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Provision for Employees Benefits	357.07	375.92
TOTAL	<u>357.07</u>	<u>375.92</u>

30. OTHER CURRENT LIABILITIES

(a) Advance from Customer	118.36	217.62
TOTAL	<u>118.36</u>	<u>217.62</u>

31. REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sales of products		
(a) Sales Manufactured Goods	38,184.44	54,979.03
(b) Sales Stock-in-Trade	14,299.78	12,833.16
Sales of Services	864.28	1,356.59
Other Operating Revenues		
(a) Export Incentives	1,966.56	3,306.99
(b) Foreign Exchange Gain/(Loss)	(475.71)	(406.19)
TOTAL	<u>54,839.35</u>	<u>72,069.58</u>

32. OTHER INCOME

(a) Interest Income	8.82	19.05
(b) Other Non Operating Income		
- Rental Income	300.00	354.74
- Profit on Sale of Fixed Assets	—	1.80
- Other Income	186.27	59.91
TOTAL	<u>495.09</u>	<u>435.50</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**33. COST OF MATERIALS CONSUMED****Rs. in Lakhs**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening Stock	32,765.86	30,851.56
Add : Purchases	20,843.15	34,341.09
	53,609.01	65,192.65
Less : Closing Stock	32,256.20	32,765.86
MATERIALS CONSUMED	21,352.81	32,426.79

34. CHANGE IN INVENTORIES OF FINISHED GOODS

Opening Stock	8,673.82	7,985.81
Closing Stock	8,584.63	8,673.82
Decrease/(Increase)	89.19	(688.01)

35. EMPLOYEE BENEFIT EXPENSES

(a) Salary & Allowances	4,034.83	4,196.32
(b) Contribution to Provident & Other fund	455.92	334.94
(c) Staff Welfare Expenses	116.64	209.35
(d) Employee Stock Option Plan	—	37.01
TOTAL	4,607.39	4,777.62

36. FINANCE COST

(a) Interest Expense- Net	1,985.43	1,869.30
(b) Borrowing Cost	332.46	226.32
(c) Exchange difference regarded as an adjustment to borrowing cost	68.09	395.71
TOTAL	2,385.98	2,491.33

37. DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	814.63	792.38
(b) Amortisation on Intangible Assets	76.51	80.23
(c) Depreciation on Investment on Properties	10.91	10.91
(d) Amortisation on Right of use Assets	131.44	114.49
TOTAL	1,033.49	998.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**38. OTHER EXPENSES****Rs. in Lakhs**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
(I) Manufacturing Expenses		
(a) Fabrication Charges	8,597.45	11,833.18
(b) Other Manufacturing Expenses	370.36	448.83
(c) Freight & Cartage	18.00	100.18
(II) Selling & Administrative Expenses		
(a) Legal And Professional Charges	1,102.27	1,431.11
(b) Power & Fuel	284.28	347.75
(c) Bank Charges	434.07	391.15
(d) Repair & Maintenance		
- Building	52.92	53.72
- Plant & Machinery	113.01	131.13
- Others	475.39	568.30
(e) Communication	79.55	100.08
(f) Rates Taxes & Duties	86.08	50.48
(g) Insurance	135.12	95.62
(h) Rent	123.90	104.82
(i) Travelling & Conveyance	390.80	940.04
(j) Freight on Exports	601.37	843.21
(k) Commission, Brokerage & Discount	256.05	467.98
(l) Loss on Sale /Discard of Fixed Assets	6.24	-
(m) Misc. Expenses	559.68	951.98
(n) Expenditure towards CSR activities	84.76	39.88
(o) Directors Meeting Fees	6.30	4.35
(p) Packing Expenses	26.50	113.75
(q) Bad Debts	23.61	-
(r) Auditors Remuneration	40.24	39.24
TOTAL	<u>13,867.95</u>	<u>19,056.78</u>

39. TAX EXPENSES**I) Current Tax**

(a) Current Income Tax	33.78	865.82
(b) Mat Credit Entitlement	—	(0.20)
	<u>33.78</u>	<u>865.62</u>

II) Deferred Tax

(a) Related To origination & reversal of temporary differences	(5.41)	(429.75)
Income tax expenses reported in statement of profit and loss	<u>28.37</u>	<u>435.87</u>
Effective Income Tax Rate	<u>(4.81%)</u>	<u>17.02%</u>

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

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Accounting profit before tax	(589.30)	2,561.56
Statutory Income Tax Rate	25.168%	25.168%
Computed Tax Expenses	(148.32)	644.69
Tax in respect of earlier years	—	(0.28)
Impact of adoption of New Tax Regime u/s 115BAA	—	(260.15)
Non taxable/ differential tax rate of subsidiaries	(66.72)	(32.36)
Impact of share of profit/(loss) of associates	223.32	87.75
Deduction under section 24 of income tax act	(19.46)	(19.36)
Non-Deductable expenses for tax purpose	39.55	15.58
Income Tax charge to Statement of Profit and Loss Account	<u>28.37</u>	<u>435.87</u>

40. CONTINGENT LIABILITIES**Rs. in Lakhs**

Particulars	As at 31st March, 2021	As at 31st March, 2020
i) Letter of Credit / Import Bills outstanding -	734.11	405.71
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S.A.	8,849.21	8,962.63
iii) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima S.A., Ultima Italia, Srl & World Fashion Trade Ltd.	428.93	416.40
iv) Karnataka Vat Demand Under dispute	56.60	56.60

40.1 Capital and Other Commitments

i) Commitments under import of capital goods at concessional rate of custom duty.	213.34	-
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**41. EMPLOYEE BENEFITS PLANS**

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

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	195.47	211.74
b) Employees State Insurance Corporation	2.91	3.91

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, 2021	As at 31st March, 2020
Expected return on plan assets	6.80%	6.60%
Discount rate	6.80%	6.60%
Salary increase rate	3% for one year and 6% thereafter	3% for two year and 6% thereafter
Employee turnover	5.00%	5.00%
In service mortality	IALM (2012–14)	IALM (2012-14)

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

Particulars	Gratuity	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Current Service Cost	72.17	62.47
Net Interest Expenses	3.73	9.54
Past Service Cost	—	—
Components of defined benefit costs recognised in profit or Loss	<u>75.90</u>	<u>72.01</u>
Re-measurement on the Net Defined Benefit liability:		
Actuarial (gains)/ losses on obligation for the year	(3.43)	(43.03)
Return On Plan Assets	(31.20)	2.96
Net(Income)/Expenses for the year ended recognized in OCI	<u>(34.63)</u>	<u>(40.07)</u>

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

Particulars	Gratuity	
	As at 31st March, 2021	As at 31st March, 2020
Present Value of Defined Benefit Obligation	435.00	403.87
Fair Vale of Plan Asset	(423.00)	(317.66)
Net Liability arising from Defined Benefit Obligation	<u>12.00</u>	<u>86.21</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**iv) Movements in the present value of the defined benefit obligation are as follows:****Rs. in Lakhs**

Particulars	Gratuity	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening Defined Obligation	385.74	394.96
Interest Cost	3.73	9.54
Current Service Cost	72.17	62.47
Past Service Cost	—	-
Benefits Paid Directly by the employer	(63.01)	(38.20)
Actuarial (gains)/ Losses	(3.43)	(43.03)
Closing Defined Benefit Obligation	<u>395.20</u>	<u>385.74</u>

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

Particulars	Gratuity	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening fair Value of Plan Assets *	324.78	258.16
Interest Income	21.20	19.58
Contribution by the Employer	99.97	88.20
Return on Plan Assets Excluding Interest Income	(22.53)	(41.16)
Closing fair Value of Plan Assets	<u>423.42</u>	<u>324.78</u>

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

Particulars	Gratuity	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Investment With Insurer	100.00%	100.00%

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2021 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(418.50)	451.68
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	451.76	(418.28)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2020 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(392.75)	415.52
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	416.00	(311.01)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**42. EARNING PER SHARE****Rs. in Lakhs**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Profit/(loss) for the year	(588.90)	2,157.16
No. of share at the beginning of the year (A)	12,201,869	12,194,174
Equity allotted during the year	500	7,695
Weighted average shares (B)	177	3,345
Weighted average shares outstanding (nos.) (A+B)	12,202,046	12,197,519
Effect of diluted number of share		
Add:- Employee stock option plan	22,859	43,690
Weighted average number of equity share for diluted earning per share	12,224,905	12,241,209
Basic earning per share	(4.83)	17.69
Diluted earning per share	(4.82)	17.62

43. 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.

44. EMPLOYEE STOCK OPTION PLAN

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

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

Rs. in Lakhs

Grant date		April 5, 2018		
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	April 05, 2019	April 05, 2020	April 05, 2021	April 05, 2022
%age of vesting	16.67	16.67	16.66	50.00
Exercise Price (in Rs.)	330.00	330.00	330.00	330.00
Grant date		February 03, 2018		
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	February 03, 2019	February 03, 2020	February 03, 2021	February 03, 2022
%age of vesting	10.00	20.00	30.00	40.00
Exercise Price (in Rs.)	450.00	450.00	450.00	450.00
Grant date		December 31, 2015		
Vesting tranche		Vesting I	Vesting II	Vesting III
Vesting date		December 31, 2016	December 31, 2017	December 31, 2018
%age of vesting		33.00	33.00	34.00
Exercise Price (in Rs.)		50.00	50.00	50.00
Grant date		September 16, 2015		
Vesting tranche		Vesting I	Vesting II	Vesting III
Vesting date		September 16, 2016	September 16, 2017	September 16, 2018
%age of vesting		33.00	33.00	34.00
Exercise Price (in Rs.)		50.00	50.00	50.00
Grant date		January 28, 2014		
Vesting tranche		Vesting I	Vesting II	
Vesting date		1st February, 2015	1st March, 2015	
%age of vesting		50.00	50.00	
Exercise Price (in Rs.)		156.00	156.00	

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

The activity in the Employees Stock Option Plan during the year ended 31st March, 2021 is as under:

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Number of options outstanding at the beginning of the period	91,823	99,518
Number of options granted during the year	—	-
Number of options forfeited / lapsed during the year	65,812	-
Number of options vested during the year	14,000	11,000
Number of options exercised during the year	500	7,695
Number of shares arising as a result of exercise of options	500	7,695
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 25,000	Rs. 3,84,750
Loan repaid by the Trust during the year from exercise price received	NA	NA
Number of options outstanding at the end of the year	25,511	91,823
Number of options exercisable at the end of the year	25,511	45,823

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

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

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

45. Details of Corporate Social Responsibility (CSR) Expenditure

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Gross amount required to be spent	53.84	46.25
(b) Amount spent:		
(i) Construction/acquisition of any asset		-
(ii) On purpose other than (i) above	81.85	39.88
(c) Administrative expenses	-	-

46. Intangible Assets includes brand capitalised during the year by an overseas subsidiary for Rs. 6611.33 Lakhs. The revenue expenditure related to brand capitalised during the year are as under :-

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Consultancy Charges	631.92	507.60
Design & Development	751.99	1,541.99
Bank charges & interest	93.61	274.11

47. 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

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.

Rs. in Lakhs				
Particulars	As at 31st March, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised cost				
Trade Receivable	14,019.68	-	-	14,019.68
Cash & Cash Equivalents	1,720.25	-	-	1,720.25
Other Bank Balance	2,201.13	-	-	2,201.13
Loans	395.28	-	-	395.28
Other Financial Assets	3,002.35	-	-	3,002.35
At FVTPL				
Investments	35.01	0.01	-	35.00
Other Financial Assets	21.65	-	21.65	-
Financial Liabilities				
At Amortised Cost				
Borrowings	43,063.99	-	-	43,063.99
Trade payables	10,240.03	-	-	10,240.03
Other Financial Liabilities	1,610.92	-	-	1,610.92
At FVTPL				
Other Financial Liabilities	-	-	-	-

Particulars	As at 31st March, 2020			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised cost				
Trade Receivable	12,629.07	-	-	12,629.07
Cash & cash equivalents	4,934.88	-	-	4,934.88
Other bank balance	1,166.86	-	-	1,166.86
Loans	393.11	-	-	393.11
Other financial assets	2,753.67	-	-	2,753.67
At FVTPL				
Investments	35.01	0.01	-	35.00
Other financial assets	-	-	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings	44,092.78	-	-	44,092.78
Trade Payables	7,719.52	-	-	7,719.52
Other Financial Liabilities	1,622.67	-	-	1,622.67
At FVTPL				
Other Financial Liabilities	403.68	-	403.68	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

48. Capital Management

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

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

Particulars	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 22, 26 & 28)	43,063.99	44,092.78
Less: Cash and cash equivalents (Note 15)	(1,720.25)	(4,934.88)
Net debt	41,343.74	39,157.90
Equity Share Capital	1,220.24	1,220.19
Other Equity	32,811.74	33,455.76
Total Capital	34,031.98	34,675.95
Capital and Net Debt	75,375.72	73,833.85
Gearing Ratio	54.85%	53.04%

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

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

Name of the Entities	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As a % of Consolidated net assets	Amount	As a % of Consolidated Profit	Amount
Parent :	85.01	29,140.64	(9.22)	(27.23)
Subsidiary :				
Indian Subsidiaries				
Bhartiya Global Marketing Ltd	1.16	396.95	(0.06)	(0.18)
J&J Leather Enterprises Ltd	1.34	458.31	(21.30)	(62.93)
Bhartiya International Sez Ltd	3.80	1,303.22	61.99	183.13
Bhartiya Fashion Retail Ltd	0.02	6.00	0.14	0.41
Bhartiya Urban Infrastructure Ltd.	0.01	2.98	0.02	0.07
Foreign Subsidiaries				
World Fashion Trade Ltd.	0.03	11.98	35.40	104.57
Design Industry China Ltd.	(0.03)	(11.51)	10.13	29.94
Ultima SA	16.52	5,661.99	67.79	200.26
Ultima Italia SRL	4.57	1,564.91	(78.29)	(231.27)
Design Industry Ltd., Hongkong	1.49	511.03	75.13	221.94
Sub Total		39,046.50		418.71
Inter-Company Elimination & Consolidation Adjustments	(13.91)	(4,768.63)	(41.73)	(123.29)
Grand Total		34,277.87		295.42
Non-Controlling Interest in Subsidiaries		(142.96)		3.01
Share of Profit / (Loss) in Associates		(245.85)		(887.33)
		33,889.06		(588.90)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

50. Financial Risk Management

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

Credit Risk

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

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

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

Particulars	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Less than 6 month	12,895.69	11,985.80
More than 6 month	1,246.23	643.27

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, 2021			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	35,800.20	6,896.06	367.73	43,063.99
Trade Payable	10,240.03	-	-	10,240.03
Other Financial Liabilities	1,331.24	154.45	125.23	1,610.92

Particulars	As at 31st March, 2020			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	38,166.90	3,867.60	2,058.28	44,092.78
Trade Payable	7,719.52	-	-	7,719.52
Other Financial Liabilities	2,256.55	266.68	362.49	2,885.72

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Exposure to Interest Rate Risk

Particulars	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Total Borrowings	43,063.99	44,092.78
% of Borrowings out of above bearing variable rate of interest	66.92%	84.61%

Interest Rate Sensitivity

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

100 bp increase would decrease the profit before tax by	288.17	412.78
100 bp decrease would Increase the profit before tax by	288.17	412.78

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, 2021		As at 31st, March, 2020	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	80.55	407.37	91.75	463.10
EURO	37.22	157.30	36.48	226.57
GBP	34.87	39.21	30.44	69.91
HKD	282.17	293.34	193.38	88.81
RMB	1.91	0.63	10.86	6.01
CHF	150.63	98.33	130.10	89.28

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, 2021		As at 31st March, 2020	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	294.45	(294.45)	347.08	(347.08)
EURO	159.64	(159.64)	151.89	(151.89)
GBP	175.71	(175.71)	142.99	(142.99)
HKD	132.69	(132.69)	94.42	(94.42)
RMB	1.06	(1.06)	5.77	(5.77)
CHF	583.65	(583.65)	510.57	(510.57)
Foreign Currency Monetary Liabilities				
USD	(1,489.14)	1,489.14	(1,751.78)	1,751.78
EURO	(674.66)	674.66	(943.40)	943.40
GBP	(197.58)	197.58	(328.38)	328.38
HKD	(137.94)	137.94	(43.36)	43.36
RMB	(0.35)	0.35	(3.19)	3.19
CHF	(381.00)	381.00	(350.40)	350.40
Impact on Profit or Loss as at the end of reporting year	(1,533.47)	1,533.47	(2,167.79)	2,167.79

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

Disclosure Regarding Derivative Instruments.

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

The following are outstanding forward contracts :-

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Currency	Foreign Currency Lacs	Currency	Foreign Currency Lacs
Forwards Contracts	USD	58.80	USD	105.00
	EURO	5.50	EURO	17.00
	GBP	38.00	GBP	40.50

51. Related Party Disclosures as per Ind AS 24

Rs. in Lakhs

a) Name of Related Parties & Nature of Relationship:	Country	Ownership Interest
i) Associate Parties :		
Bhartiya Urban Pvt. Ltd. (Bhartiya City Developers Pvt. Ltd.)	India	36.77%
Tada Mega Leather Cluster Pvt Ltd.	India	50.00%
ii) Executive Directors:		
Manoj Khattar		Whole Time Director
Amrishpal Singh		Managing Director
Nikhil Aggarwal		Director
Walter willi Zwahlen		Director
iii) Non-Executive Directors		
Snehdeep Aggarwal		Director
Ramesh Bhatia		Director
C.L. Handa		Independent Director
Sandeep Seth		Independent Director
Shashank		Independent Director
A. Sahasranaman		Independent Director
SM Swathi		Independent Director
Annapurna Dixit		Independent Director
Robert Burton Moore Jr		Director
Mukul Harmilapi		Director
iv) Enterprises owned or significantly influenced by Directors or their relatives :		
Itopia Management Services (India) Pvt. Ltd.		
Parushni Interior Designs Private Ltd.		
v) Relatives of Directors with whom transactions have taken place:		
Kanwal Aggarwal		
Arjun Aggarwal		
vi) Trust (Post Employment Benefit Plan)		
Bhartiya International Ltd. Employees Group Gratuity Scheme		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).**Rs. in Lakhs****b) Transactions during the year with Related Parties :**

Particulars	2020-21	2019-20
1. Salaries		
Manoj Khattar	73.41	97.29
Amrishpal Singh	2.83	3.00
Nikhil Aggarwal	102.53	93.37
Walter Willi Zwahlen	46.41	62.21
2. Lease Rent Received		
Parushni Interior Designs Pvt Ltd	18.00	18.00
3. Legal and Professional Fees		
Itopia Management Services (India) Pvt. Ltd	6.50	4.25
Robert Burton Moore Jr	74.67	89.75
Snehdeep Aggarwal	9.00	10.00
Mukul Harmilapi	12.67	-
4. Sitting Fee		
Ramesh Bhatia	0.43	0.03
C.L. Handa	1.08	0.56
Sandeep Seth	1.08	0.75
Shashank	1.08	0.63
A. Sahasranaman	0.43	0.36
Annapurna Dixit	-	0.25
SM Swati	0.32	-
5. Contribution to Gratuity Trust		
Bhartiya International Ltd. Employees Group Gratuity Scheme	46.00	50.00
c) Balances Outstanding at the year end:		
1. Advance Paid		
Parushni Interior Designs Pvt. Ltd.	0.03	-
1. Expenses/Others Payables		
Amrishpal Singh	0.25	0.25
Itopia Management Services (India) Pvt. Ltd.	2.76	-
Snehdeep Aggarwal	0.69	-
2. Security Deposit (Received)		
Parushni Interior Designs Pvt. Ltd.	1.50	1.50

52. COVID – 19**Assessment Note:**

The Company's operations and financial statements for the year ended 31st March, 2021 have been impacted partially by the outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state governments, due to which the operations were suspended for a large part of the quarter ended June 30, 2020 and resumed gradually with prescribed regulations and precautions. Accordingly, the financial Statement presented for the year ended 31st March, 2021 are not strictly comparable with those of previous periods.

Accordingly, the company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statement, to determine the impact on the company's revenue from operations and estimation of sales related expenses over the foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables, deferred tax assets & input tax credit receivables. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statement which may differ from impact considered as at the date of approval of these financial results. The company continues its business activities in lines with the guidelines issue by the Government authorities take steps to strengthen its liquidity position and further explore cost restructuring exercise. The company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the company is closely monitoring the situation as it evolves in future.

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

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

Manoj Khattar

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

Gurugram, 29th June, 2021

CONSOLIDATED FINANCIAL SUMMARY

Rs. in Lakhs

PARTICULARS	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Equity Share Capital	1046.38	1106.38	1106.38	1121.38	1171.38	1174.09	1218.13	1219.42	1220.19	1220.24
Reserves & Surplus	12007.26	13113.65	14518.27	16276.96	20014.16	25579.31	36272.00	38276.25	33455.76	32811.74
Net Worth	13300.71	14395.12	15798.28	17864.48	22394.47	26753.41	37490.13	39495.67	34675.95	34031.98
Capital Employed	14613.58	17572.83	19521.88	21582.50	26468.25	30699.56	43225.88	46795.74	41972.58	47698.42
Gross Fixed Assets	7926.79	8907.95	9591.43	10428.12	12109.72	9422.58	12787.52	13773.50	16020.50	22967.79
Net Fixed Assets	5729.65	6557.74	6888.19	7316.30	8412.82	8922.09	11574.45	11798.37	13066.17	19020.72
Export Sales including Export Incentives	25067.32	30306.03	41440.95	55812.77	62215.89	64194.24	71051.66	74799.74	72069.58	54839.35
Other Income	231.92	315.73	351.49	333.80	378.91	618.56	725.54	1198.07	435.50	495.09
Total Income	25299.24	30621.76	41792.44	56146.57	62600.50	64812.80	71777.20	75997.81	72505.08	55334.44
EBITDA	2929.87	2951.26	4059.35	5299.22	5104.13	4659.23	5408.24	6717.19	6399.58	3717.50
Depreciation	288.70	323.63	395.46	630.24	604.98	601.53	748.27	812.70	998.01	1033.49
EBIT	2641.17	2627.63	3663.88	4668.98	4499.15	4057.70	4659.97	5904.49	5401.57	2684.01
Profit before Tax	1609.53	1442.25	2096.56	2953.65	3192.93	2667.25	2703.91	2851.18	2910.24	298.03
Tax Expenses	453.79	433.40	646.96	839.46	920.88	808.95	842.61	954.74	435.87	28.37
Net Profit After Tax and before Share of Profit / (Loss) of Associates	1147.01	1012.58	1451.83	2099.93	2279.26	1858.30	1861.30	1896.44	2474.37	269.66
Non Controlling Interest	8.72	(3.73)	(1.45)	14.26	(7.22)	(5.68)	(3.43)	(0.01)	(1.59)	(3.01)
Share in Profit	(1.82)	1.29	0.78	0.44	192.22	(58.54)	(118.07)	80.35	(348.68)	(887.33)
Net Profit after Share of Profit and Loss of Associates	1145.19	1013.87	1451.83	2100.37	2471.48	1799.76	1743.23	1976.79	2125.69	(617.67)
Equity Dividend (%)	10.00	10.00	10.00	10.00	12.00	12.00	12.00	12.00	-	-
EPS (Basic) Rs.	11.39	9.35	13.12	18.83	21.69	15.33	14.42	16.25	17.67	(4.83)
EPS(Diluted) Rs.	11.39	9.31	13.06	18.50	21.48	14.98	14.28	16.14	17.61	(4.82)

INDEPENDENT AUDITOR'S REPORT

The Members of

Bhartiya International Ltd

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/s **Bhartiya International Ltd** ('the Company'), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, (including other Comprehensive Income) the Cash Flow Statement and Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its Profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matter

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

Key Audit Matters	Auditor's Response
<p><u>Hedge Accounting and the Related Disclosures for Currency Derivatives:</u></p> <p>We identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because the evaluation of hedge effectiveness involved management's judgement and estimation.</p> <p>Besides, the changes in fair values of these currency derivatives also had a significant impact on the standalone financial statements.</p> <p>As disclosed in note 52 to the standalone financial statements, the Company was exposed to currency risk primarily arising from Foreign currency denominated Trade Receivables.</p>	<p>Principal Audit Procedures Performed:</p> <ul style="list-style-type: none"> Obtaining an understanding of and testing the design and implementation and operating effectiveness of the management's controls over the valuation of currency derivatives and hedge accounting. Inspecting the hedge documentations and contracts and evaluating the management's determination of mark to market valuations and assessment of hedge effectiveness, on a sample basis, to evaluate the accounting for these currency derivatives in accordance with the requirements of the relevant Indian Accounting Standards. Obtaining confirmations from contract counterparties to verify the existence of each currency derivative held at 31 March, 2021. Re performing mark-to-market valuations on a sample basis to evaluate the reasonability of fair values of the currency derivatives and the hedge effectiveness thereof has been appropriately determined by the management; and Assessed the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107-Financial Instruments: Disclosures, Ind AS 113- Fair Value Measurement.

Emphasis of Matter

We draw your attention to Note 54 to the Standalone Financial Statements which states that the company's operations & financial results for the year ending 31st March, 2021 have been partially impacted by the outbreak of COVID-19 pandemic. Our opinion is not modified in respect of this matter.

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

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

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

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

Management's 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 financial position, financial performance including other comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind As") specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate

in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statement, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 Statements dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B" to this report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note 41 to standalone financial statements.)
 - ii) The company has made provision as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for K A S G & CO.

Chartered Accountants
Firm's Registration No. 002228C

R.B.Sharma

Partner

Mem. No. 075701

UDIN: 21075701AAAAAL4308

Gurugram, 29th June, 2021

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 2021, 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 Property, Plant & Equipment to the standalone financial statements, are held in the name of the Company, except for a building acquired in earlier year having a carrying value of 18.50Lacs as at 31st March, 2021. In respect of immovable property taken on lease and disclosed as right to use assets in standalone financial statements the lease agreements are in the name of company.
- 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, limited liability partnerships 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.

According to the information and explanations given to us, no undisputed amount payable in respect of provident fund, employees' state insurance, income-tax duty of customs, GST and other material statutory dues were in arrears as at 31 March 2021, for a period of more than 6 months from the date they become payable.

- (b) According to the records of the Company 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

- 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, moneys raised by way term loans have been applied for the purposes for which they were obtained.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone Ind

AS financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

- xi. The According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 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 standalone financial statements 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 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

UDIN: 21075701AAAAAL4308

Gurugram, 29th June, 2021

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, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for K A S G & CO.

Chartered Accountants

Firm's Registration No. 002228C

R.B.Sharma

Partner

Mem. No. 075701

UDIN: 21075701AAAAAL4308

Gurugram, 29th June, 2021

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021**Rs. in Lakhs**

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I Assets			
1 Non – Current Assets			
(a) Property, Plant and Equipment	4	9,493.53	9,659.11
(b) Capital Work-in-Progress	4.1	16.28	305.97
(c) Right of Use assets	4.3	800.82	909.61
(d) Investment Property	5	535.38	546.29
(e) Intangible Assets	6	38.59	55.29
(f) Investments in Subsidiaries & Associates	7	6,576.09	6,576.09
(g) Financial Assets			
(i) Investments	8	0.01	0.01
(ii) Loans	9	82.66	121.26
(iii) Other financial Assets	10	29.23	-
(h) Other Non-Current Assets	11	51.26	68.30
2 Current Assets			
(a) Inventories	12	40,313.19	40,718.98
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	7,774.03	7,740.53
(iii) Cash and cash equivalents	15	489.81	3,625.40
(iv) Bank balances other than cash & cash Equivalents	16	2,181.40	1,166.86
(v) Loans	17	1,195.25	829.75
(vi) Others Financial Assets	18	2,839.72	2,743.34
(c) Current Tax assets (net)		204.39	48.27
(d) Other Current Assets	19	2,992.32	1,845.94
TOTAL ASSETS		75,613.96	76,961.00
II Equity and Liabilities			
1 Equity			
(a) Equity Share Capital	20	1,220.24	1,220.19
(b) Other Equity	21	27,920.40	27,736.68
2 Liabilities			
Non - current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	8,388.33	2,448.20
(ii) Other financial liabilities	23	364.24	418.85
(b) Provisions	24	-	40.37
(c) Other Non-Current Liabilities	25	133.74	109.34
(d) Deferred Tax Liabilities (Net)	26	661.66	573.01
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	27	28,816.85	37,233.26
(ii) Trade Payables	28		
Total outstanding dues of micro enterprises and small enterprises		528.39	748.14
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,595.56	3,582.49
(iii) Other financial liabilities	29	2,605.55	1,913.70
(b) Provisions	30	149.81	160.09
(c) Other Current Liabilities	31	116.87	217.62
(d) Current Tax Liabilities		112.32	559.06
TOTAL OF EQUITY AND LIABILITIES		75,613.96	76,961.00
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements 1 to 54			

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

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

Manoj Khattar

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

Gurugram, 29th June, 2021

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

		Rs. in Lakhs	
PARTICULARS	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
INCOME			
Revenue from Operations	32	39,677.24	57,329.47
Other Income	33	427.60	446.86
Total Income		<u>40,104.84</u>	<u>57,776.33</u>
EXPENSES			
Cost of material consumed	34	20,990.10	32,197.79
Purchases of Stock-in-Trade		114.84	308.27
Change in Inventories of Finished Goods	35	86.27	(851.31)
Employee Benefits Expense	36	3,650.89	4,082.78
Finance Costs	37	2,318.12	2,296.42
Depreciation and Amortisation Expense	38	835.70	873.16
Other expenses	39	11,871.08	16,369.11
Total Expenses		<u>39,867.00</u>	<u>55,276.22</u>
Profit / (Loss) before tax for the year		237.84	2,500.11
Tax Expenses	40		
i Current Tax		—	792.32
ii Deferred Tax		79.95	(442.88)
Profit / (Loss) for the year (A)		<u>157.89</u>	<u>2,150.67</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
Remeasurements of the defined benefit plans		33.95	40.75
Income tax relating to above items		(8.70)	(10.44)
Total Other Comprehensive Income for the Year (B)		<u>25.25</u>	<u>30.31</u>
Total Comprehensive Income for the Year (A+B)		<u>183.14</u>	<u>2,180.98</u>
Earnings per equity share of Face Value			
Basic (in Rupees)		1.29	17.63
Diluted (in Rupees)		1.29	17.57
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements	1 to 54		

As per our report of even date attached

For K A S G & CO.Chartered Accountants
Firm Reg. No. 002228C**R.B.Sharma**

Partner

Mem. No. 075701

Gurugram, 29th June, 2021

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

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

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A Equity Share Capital	Rs. in Lakhs
Particulars	Notes Amount
Balance as at 31st March, 2019	1,219.42
Change in equity share capital during the year 2019-20	20.1 0.77
Balance as at 31st March, 2020	1,220.19
Change in equity share capital during the year 2020-21	20.1 0.05
Balance as at 31st March, 2021	1,220.24

B Other Equity (Refer Note 21)

Particulars	Application Money Pending for allotment	Employee Stock Options Outstanding	Reserves and Surplus					Total
			Preferential Share Warrant Forfeited	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (defined benefit plan)	
Balance as at 31st March, 2019	-	227.14	925.75	7,798.20	3,198.51	13,561.49	(18.73)	25,692.36
Profit for the year	-	-	-	-	-	2,150.67	-	2,150.67
Other Comprehensive Income for the year	-	-	-	-	-	-	30.31	30.31
Securities premium on issue of share	-	-	-	36.26	-	-	-	36.26
Employee Stock option reserve for the year	-	37.01	-	-	-	-	-	37.01
Transfer to Security premium on issue of share	-	(33.18)	-	-	-	-	-	(33.18)
Dividends & Dividends Distribution Tax	-	-	-	-	-	(176.75)	-	(176.75)
Transfer from Retained Earning	-	-	-	-	200.00	-	-	200.00
Transfer to General reserve	-	-	-	-	-	(200.00)	-	(200.00)
Balance as at 31st March, 2020	-	230.97	925.75	7,834.46	3,398.51	15,335.41	11.58	27,736.68
Profit for the year	-	-	-	-	-	157.89	-	157.89
Other comprehensive income for the year	-	-	-	-	-	-	25.25	25.25
Securities premium on issue of share	-	-	-	2.35	-	-	-	2.35
Employee Stock option reserve for the year	-	-	-	-	-	-	-	-
Transfer to Security premium on issue of share	-	(2.14)	-	-	-	-	-	(2.14)
Transfer from ESOP	-	(118.85)	-	-	118.85	-	-	-
Money Received During the Year	0.37	-	-	-	-	-	-	0.37
Balance as at 31st March, 2021	0.37	109.98	925.75	7,836.81	3,517.36	15,493.30	36.83	27,920.40

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

Yogesh Kumar Gautam
Company Secretary

Raj Kumar Chawla
Chief Financial Officer

Manoj Khattar
Whole Time Director
DIN: 00694981

Ramesh Bhatia
Director
DIN: 0052320

Gurugram, 29th June, 2021

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

Particulars	Rs. in Lakhs	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per statement of Profit and loss	237.84	2,500.11
Adjustment for :		
Finance Cost	2,318.12	2,296.42
Depreciation and Amortisation Expenses	835.70	873.16
Loss/(Profit) on sale of Property, Plant & Equipment (net)	6.24	(1.51)
Rental Income	(294.80)	(288.72)
Interest income	(1.58)	(12.88)
Government grant income	(4.17)	(2.07)
Provision for Employee Stock Option Benefits	—	37.01
Operating profit/(loss) before working capital changes	3,097.35	5,401.52
Movements in working capital:		
Increase/ (decrease) in trade payables	793.32	(3,529.32)
Increase/ (decrease) in other financial liabilities	(367.45)	122.11
Increase/ (decrease) in other liabilities	(100.75)	(307.60)
Increase/ (decrease) in provisions	(45.93)	11.50
Decrease/ (increase) in inventories	405.79	(2,208.84)
Decrease/ (increase) trade receivables	(33.50)	(612.72)
Decrease/ (increase) in loan	(326.89)	98.77
Decrease/ (increase) in other current financial assets	(96.38)	1,411.35
Decrease/ (increase) in other current assets	(1,146.38)	(967.47)
Decrease/ (increase) in other non-current assets	0.01	87.95
Decrease/ (increase) in other non-current financial assets	—	88.14
Cash (used in) / generated from operations	2,179.19	(404.61)
Income tax paid (Net)	(602.83)	(342.46)
Net cash (used in)/ generated from operating activities – (A)	1,576.36	(747.07)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(218.86)	(659.41)
Capital advance/Capital creditors (net)	26.02	(39.46)
Proceeds from sale of Property, Plant & Equipment	4.12	4.98
Security deposit	(1.10)	(74.51)
Rental Income	294.80	288.72
Interest income	1.58	12.88
Fixed Deposit with bank	(1,014.54)	(366.37)
Net cash from/ (used in) investing activities – (B)	(907.98)	(833.17)

STANDALONE STATEMENT OF CASH FLOW (CONTD.)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	6,996.33	(466.95)
Proceeds from short-term borrowings (net)	(8,416.41)	6,884.35
Payment of Lease Liability	(100.51)	(101.04)
Share Application money received	0.37	-
Share Capital including securities premium	0.25	3.85
Interest and processing fees paid (net)	(2,284.00)	(2,257.34)
Dividend paid (including dividend tax)	-	(176.75)
Net cash from/ (used in) Financing Activities–(C)	<u>(3,803.97)</u>	<u>3,886.12</u>
Net increase / (decrease) in cash and cash equivalents – (A+B+C)	(3,135.59)	2,305.87
Cash and cash equivalents as at beginning of the year	3,625.40	1,319.53
Cash and cash equivalents as at the end of the year	<u>489.81</u>	<u>3,625.40</u>
Components of cash and cash equivalents:		
Cash on hand	23.08	25.69
Balances with scheduled banks:		
In Current Accounts	466.73	1,348.25
In Term Deposit	-	2,251.46
Cash and cash equivalents in cash flow statement	<u>489.81</u>	<u>3,625.40</u>

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

R.B.Sharma

Partner

Mem. No. 075701

Gurugram, 29th June, 2021

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

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

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

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

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

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

3.2 Investment Properties

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

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

3.3 Intangible Assets

Computer Software

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

Amortisation Method and Useful Life

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

3.4 Lease

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

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

Company as a Lessee

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

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

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

(ii) Lease Liabilities

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

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

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

Company as a Lessor

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

3.5 Investment In Subsidiaries And Associates

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

3.6 Inventories

Raw materials and consumables have been valued at cost after providing for obsolescence. Cost comprise of cost of purchase and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis. Finished goods are value at cost or net relisable 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 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.

NOTES TO THE STANDALONE 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 Company's cash management system. In the balance sheet, bank overdrafts are presented under other current liabilities.

3.8 Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

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

3.9 Financial Instruments

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

Financial Assets

Financial Assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

Financial Assets are Subsequently Classified as Measured at

- Amortised Cost
- Fair Value through Profit and Loss (FVTPL)
- Fair Value through Other Comprehensive Income (FVOCI).

Debt Instruments

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

(a) Measured at Amortised Cost:

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

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

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

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Equity Instruments:

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

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

Derecognition

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

Financial Liabilities

Initial Recognition and Measurement

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Trade and Other Payable

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

Derecognition

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

Derivative Instruments

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

3.10 Provision and Contingent Liabilities

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

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

3.11 Revenue Recognition

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and taxes. Transaction price is recognised based on the price specified in the contract, net of discount.

Revenue from Services

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

Other operating revenue – Export Incentives

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

Interest Income

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

Dividend Income

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

3.12 Foreign Currency Transactions

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

3.14 Earning per share

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

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

3.15 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

3.16 Government Grants

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

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

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

3.17 Share Based Payment

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

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

3.18 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgement are:

Estimation of Defined benefit obligation

Estimation of current tax expenses and Payable

Useful lives of depreciable assets

Provision and contingent liability

Carry value of investment in subsidiary and associates

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

4. PROPERTY, PLANT AND EQUIPMENT

Rs. in Lakhs								
Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount								
Balance as at 31st March, 2019	223.25	4,879.76	5,109.40	279.75	206.80	338.24	189.55	11,226.75
Addition	-	-	506.79	74.56	17.11	40.36	25.90	664.72
Disposal	-	-	4.61	-	4.80	-	-	9.41
Balance as at 31st March, 2020	223.25	4,879.76	5,611.58	354.31	219.11	378.60	215.45	11,882.06
Addition		301.36	200.02	7.09	-	16.59	9.47	534.53
Disposal	-	-	13.53	-	13.78	0.86	2.79	30.96
Balance as at 31st March, 2021	223.25	5,181.12	5,798.07	361.40	205.33	394.33	222.13	12,385.63
Accumulated Depreciation								
Balance as at 31st March, 2019	-	366.71	772.92	88.99	58.84	132.01	126.78	1,546.25
Addition	-	156.60	374.84	35.49	30.02	48.30	37.40	682.65
Disposal	-	-	1.80	-	4.15	-	-	5.95
Balance as at 31st March, 2020	—	523.31	1,145.96	124.48	84.71	180.31	164.18	2,222.95
Addition	-	156.19	398.95	38.63	26.99	47.80	21.16	689.72
Disposal	-	-	5.07	-	12.15	0.71	2.64	20.57
Balance as at 31st March, 2021	—	679.50	1,539.84	163.11	99.55	227.40	182.70	2,892.10
Net carrying amount								
Balance as at 31st March, 2020	223.25	4,356.45	4,465.62	229.83	134.40	198.29	51.27	9,659.11
Balance as at 31st March, 2021	223.25	4,501.62	4,258.23	198.29	105.78	166.93	39.43	9,493.53

4.1 Capital Work in Progress

Balance as at 31st March, 2020	305.97
Balance as at 31st March, 2021	16.28

- 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 RIGHT OF USE ASSETS

Particulars	Land	Building	Total
Gross Carrying Amount			
Balance as at 31st March, 2019	532.34	481.37	1,013.71
Addition	-	-	-
Disposal	-	-	-
Balance as at 31st March, 2020	532.34	481.37	1,013.71
Addition	-	-	-
Disposal	-	-	-
Balance as at 31st March, 2021	532.34	481.37	1,013.71
Accumulated Depreciation			
Balance as at 31st March, 2019	12.64	91.46	104.10
Addition	-	-	-
Disposal	-	-	-
Balance as at 31st March, 2020	12.64	91.46	104.10
Addition	12.64	96.15	108.79
Disposal	-	-	-
Balance as at 31st March, 2021	25.28	187.61	212.89
Net Carrying Amount			
Balance as at 31st March, 2020	519.70	389.91	909.61
Balance as at 31st March, 2021	507.06	293.76	800.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**5. INVESTMENT PROPERTIES**

	Rs. in Lakhs	
Particulars	Buildings	Total
Gross Carrying Amount		
Balance as at 31st March, 2019	589.92	589.92
Addition		
Disposal		
Balance as at 31st March, 2020	<u>589.92</u>	<u>589.92</u>
Addition		
Disposal		
Balance as at 31st March, 2021	<u>589.92</u>	<u>589.92</u>
Accumulated Depreciation		
Balance as at 31st March, 2019	32.72	32.72
Addition	10.91	10.91
Disposal		
Balance as at 31st March, 2020	<u>43.63</u>	<u>43.63</u>
Addition	10.91	10.91
Disposal		
Balance as at 31st March, 2021	<u>54.54</u>	<u>54.54</u>
Net Carrying Amount		
Balance as at 31st March, 2020	546.29	546.29
Balance as at 31st March, 2021	<u>535.38</u>	<u>535.38</u>
Fair Value		
As at 31st March, 2020	2,744.77	2,744.77
As at 31st March, 2021	2525.55	2525.55

5.1 Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Rental income derived from investment properties	252.35	252.35
Direct operating expenses (including repairs and maintenance) generating rental income	—	—
Income arising from investment properties before depreciation	<u>252.35</u>	<u>252.35</u>
Depreciation	10.91	10.91
Income from investment properties (Net)	<u>241.44</u>	<u>241.44</u>

5.2 Maturity Analysis of Lease Payments to be received in aggregate & each of following year:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Not later than one year	23,435,280	25,235,280
Later than one year and not later than five years	98,257,294	96,572,883
Later than five years	66,746,607	91,866,298

5.3 Estimation of Fair Value

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

6. INTANGIBLE ASSETS		Rs. in Lakhs	
Particulars	Computer Software	Total	
Gross Carrying Amount			
Balance as at 31st March, 2019	296.20	296.20	
Addition	3.53	3.53	
Disposal	-	-	
Balance as at 31st March, 2020	299.73	299.73	
Addition	9.58	9.58	
Disposal	-	-	
Balance as at 31st March, 2021	309.31	309.31	
Accumulated Depreciation			
Balance as at 31st March, 2019	168.94	168.94	
Addition	75.50	75.50	
Disposal	-	-	
Balance as at 31st March, 2020	244.44	244.44	
Addition	26.28	26.28	
Disposal	-	-	
Balance as at 31st March, 2021	270.72	270.72	
Net carrying amount			
Balance as at 31st March, 2020	55.29	55.29	
Balance as at 31st March, 2021	38.59	38.59	

7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Shares(Nos)	Amount	Shares(Nos)	Amount
A INVESTMENTS IN WHOLLY OWNED SUBSIDIARIES				
i. Equity Instrument at cost (Unquoted)				
1 Equity share of Rs. 10/- each, fully paid in Bhartiya Global Marketing Ltd., India	4,999,020	499.90	4,999,020	499.90
2 Equity Shares of Rs. 10/- each, fully paid in Bhartiya International Sez Ltd., India	12,069,230	1,206.92	12,069,230	1,206.92
3 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Fashion Retail Ltd., India	500,000	50.00	500,000	50.00
4 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Infrastructure Ltd., India	50,000	5.00	50,000	5.00
5 Equity Shares in Ultima S.A., Switzerland (having par value of SFR 1,000/- each)	1,000	337.86	1,000	337.86
6 Equity Shares in World Fashion Trade Ltd., Hongkong (having par value of \$ 1/- each)	709,000	478.14	709,000	478.14
Total (A)		2,577.82		2,577.82
B INVESTMENTS IN ASSOCIATES				
i. Equity Instrument at cost (Unquoted)				
1 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Pvt. Ltd. (Earlier known as Bhartiya City Developers Pvt. Ltd.)	34,393,260	3,999.60	34,393,260	3,999.60
2 Equity Shares of Rs. 10/- each, fully paid in Tada Mega Leather Cluster Pvt. Ltd.	5,000	0.50	5,000	0.50
Total (B)		4,000.10		4,000.10
Total (A+B)		6,577.92		6,577.92
Aggregate amount of unquoted Investments before impairment		6,577.92		6,577.92
Less: Provision for diminution in value of investment		1.83		1.83
Aggregate amount of unquoted Investments after impairment		6,576.09		6,576.09

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**8. NON – CURRENT INVESTMENTS****Rs. in Lakhs**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Units(No.)	Amount	Units(No.)	Amount
A Investments in Mutual Funds (Unquoted)				
At Fair value through Profit and loss				
i) Reliance ETF Liquid BeES	1.124	0.01	1.093	0.01
TOTAL		<u>0.01</u>		<u>0.01</u>
Aggregate amount of unquoted Investments		0.01		0.01
Aggregate amount of impairment in Value of unquoted Investments		–		-

9. NON – CURRENT LOAN

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured & Considered Good)		
(a) Security and Other Deposits	82.66	81.08
(b) Loan to Employee	–	40.18
TOTAL	<u>82.66</u>	<u>121.26</u>

10. OTHER NON CURRENT FINANCIAL ASSETS

(Unsecured & Considered Good)		
(a) Other Advances	29.23	-
TOTAL	<u>29.23</u>	<u>-</u>

11. OTHER NON CURRENT ASSETS

(a) Capital Advances	37.85	54.88
(b) Security Deposits With Govt. Authorities	8.63	8.63
(c) Prepayment Lease Rent	4.78	4.79
TOTAL	<u>51.26</u>	<u>68.30</u>

12. INVENTORIES

(a) Raw Materials	27,485.48	27,538.91
(b) Raw Materials -In transit	87.86	141.64
(c) Stock-in-Progress	651.46	941.51
(d) Finished Goods	8,471.90	8,558.17
(e) Consumable store	3,616.49	3,538.75
TOTAL	<u>40,313.19</u>	<u>40,718.98</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**13. CURRENT INVESTMENTS****Rs. in Lakhs**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Shares (No)	Amount	Shares (No)	Amount
a) Investment In Equity Instrument (Unquoted)				
At Fair value through Profit and Loss				
i) Sai Rayalaseema Paper Mills Ltd.	31,792	—	31,792	-
Total		—		-
Aggregate amount of unquoted Investments		—		-

14. TRADE RECEIVABLES

Particulars	As at	As at
	31st March, 2021	31st March, 2020
<i>(Unsecured, considered good)</i>		
(a) Trade Receivable	7,166.64	7,506.86
(b) Receivable from related parties	607.39	233.67
<i>(refer no no. 53)</i>		
TOTAL	7,774.03	7,740.53

15. CASH AND CASH EQUIVALENT

a) Balances with Banks		
In current accounts	466.73	1,348.25
In term deposit	—	2,251.46
b) Cash on Hand	23.08	25.69
TOTAL	489.81	3,625.40

16. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

a) Fixed Deposit with the bank	2174.28	1,158.33
b) Unpaid dividend accounts	7.12	8.53
TOTAL	2181.40	1,166.86

16.1 Fixed deposits of Rs. 2174.28 Lacs (previous year Rs 1158.33 Lacs) are pledged with the banks for various limits and facilities granted.

17. CURRENT LOAN

<i>(Unsecured & Considered Good)</i>		
(a) Security and Other Deposits	46.12	44.15
(b) Loans / Advances to related parties	1,057.72	631.19
<i>(refer note no. 53)</i>		
(c) Loan to Employee	91.41	154.41
TOTAL	1,195.25	829.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**18. OTHER CURRENT FINANCIAL ASSETS****Rs. in Lakhs**

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Export incentive receivable	1,779.74	1,471.69
b) Insurance claim receivable	132.57	132.57
c) Vat/ GST Receivable	854.04	1,138.90
d) Other Advance	51.72	0.18
e) Derivatives-foreign exchange forward contract	21.65	-
TOTAL	<u>2,839.72</u>	<u>2,743.34</u>

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

19. OTHER CURRENT ASSETS

a) Advances with suppliers	2,611.57	1,572.98
b) Prepaid Expenses	377.74	269.45
c) Security Deposit with Govt. Authority	-	0.18
d) Other Advances	2.99	3.31
e) Prepayment Lease Rent	0.02	0.02
TOTAL	<u>2,992.32</u>	<u>1,845.94</u>

20. SHARE CAPITAL**Authorised Share Capital**

a) 20,000,000 (31st March, 2020: 20,000,000) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
b) 500,000 (31st March, 2020: 500,000) Preference Shares of Rs. 100/- each	500.00	500.00
	<u>2,500.00</u>	<u>2,500.00</u>

Issued, Subscribed & Paid Up :

a) 12,202,369 (31st March, 2020: 12,201,869) Equity Shares of Rs.10/- each fully paid Up.	1,220.24	1,220.19
TOTAL	<u>1,220.24</u>	<u>1,220.19</u>

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	12,201,869	1,220.19	12,194,174	1,219.42
Shares Issued during the year	500	0.05	7,695	0.77
Shares outstanding at the end of the year	<u>12,202,369</u>	<u>1,220.24</u>	<u>12,201,869</u>	<u>1,220.19</u>

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

20.2 The details of Shareholders holding more than 5% shares

Name of the Share holders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehdeep Aggarwal	1,143,362	9.37	1,143,362	9.37
(b) Bhartiya Infotech Pvt. Ltd.	1,010,000	8.28	1,000,000	8.20
(c) Bhartiya Global Ventures Pvt. Ltd.	3,047,100	24.97	2,215,100	18.15
(d) Bhartiya Advisory Services Pvt. Ltd.	681,913	5.59	681,913	5.59
(e) TIMF Holdings	706,474	5.79	706,474	5.79
(f) Superfine Carpets Pvt.Ltd.	—	—	659,266	5.40

20.3 Shares Reserved for issue under options

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2020 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	25,511	91,823

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, 2021	31st March, 2020	31st March, 2019	31st March, 2018	31st March, 2017
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.	500	7,695	12,920	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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion of the number of equity share held by the shareholders.

20.6 During the Year, the company has allotted 500 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	Application Money Pending for allotment	Employee Stock Options Outstanding	Reserves and Surplus				Total
			Preferential Share Warrant Forfeited	Securities Premium	General Reserve	Retained Earnings	
Balance as at 31st March, 2019	-	227.14	925.75	7,798.20	3,198.51	13,561.49	(18.73) 25,692.36
Profit for the year	-	-	-	-	-	2,150.67	- 2,150.67
Other Comprehensive Income for the year	-	-	-	-	-	-	30.31 30.31
Securities premium on issue of share	-	-	-	36.26	-	-	- 36.26
Employee Stock option reserve for the year	-	37.01	-	-	-	-	- 37.01
Transfer to Security premium on issue of share	-	(33.18)	-	-	-	-	- (33.18)
Dividends & Dividends Distribution Tax	-	-	-	-	-	(176.75)	- (176.75)
Transfer from Retained Earning	-	-	-	-	200.00	-	- 200.00
Transfer to General reserve	-	-	-	-	-	(200.00)	- (200.00)
Balance as at 31st March, 2020	-	230.97	925.75	7,834.46	3,398.51	15,335.41	11.58 27,736.68
Profit for the year	-	-	-	-	-	157.89	- 157.89
Other comprehensive income for the year	-	-	-	-	-	-	25.25 25.25
Securities premium on issue of share	-	-	-	2.35	-	-	- 2.35
Employee Stock option reserve for the year	-	-	-	-	-	-	- -
Transfer to Security premium on issue of share	-	(2.14)	-	-	-	-	- (2.14)
Transfer from ESOP	-	(118.85)	-	-	118.85	-	- -
Money Received During the Year	0.37	-	-	-	-	-	- 0.37
Balance as at 31st March, 2021	0.37	109.98	925.75	7,836.81	3,517.36	15,493.30	36.83 27,920.40

Component of other Equity

Securities Premium Represents amount received in excess of face value on issue of equity shares which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.

General Reserve Represents accumulated profits set apart by way of transfer from current year profits or/and retained earnings for "other than specified purposes".

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

22. NON – CURRENT BORROWINGS

Rs. in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
- Term Loans from Banks	8,371.16	2,410.28
- Vehicle Loans from Banks	17.17	37.92
TOTAL	8,388.33	2,448.20

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 43.41 lacs (31 March, 2020 Rs. 161.77 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 15 Quarterly Installment starting from September 2017. Last installment due in June 2021. Rate of interest 8.80 % p.a. as at year end (previous year - 10.25 %)
22.2	Term Loans from HDFC Bank, subsequent disbursement , balance outstanding amounting to Rs 9.90 lacs (31 March, 2020 Rs. 36.84 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repable in 15 Quarterly Installment starting from September 2017. Last installment due in June 2021. Rate of interest 8.80 % p.a. as at year end (previous year - 10.25 %)
22.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 250.60 lacs (31 March, 2020 is Rs. 350.00 lacs) 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 repable in 20 quarterly Installment starting from Nov 2017. Last installment due in Nov 2022. Rate of Interest 8.30 % p.a. as at year end (Previous Year 9.35 %)
22.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 1850.42 lacs (31 March, 2020 is Rs.1994.10 lacs) 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 Oct, 2018. Last installment due in Aug 2028. Rate of Interest 8.40 % p.a. as at year end (Previous Year 9.35 %.)
22.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 92.16 lacs (31 March, 2020 is Rs. 128.69 lacs) 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 repable in 19 quarterly Installment starting from Feb 2018. Last installment due in Nov 2022. Rate of Interest 8.35 % p.a. as at year end (Previous Year 9.40%)
22.6	Term Loan from Yes Bank, balance outstanding amounting to Rs. 228.00 lacs (31 March, 2020 Rs. 258.40 lacs) 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, Andhara Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repable in 20 Quarterly Installment starting from July 2019. Last installment due in Oct 2024. Rate of interest 10.35 % p.a. as at year end.(Previous Year 10.35%)
22.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 225.00 Lacs (31 March, 2020 Rs. 300.00) 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, Andhara Pradesh & hypothecation on movable fixed assets situated on said plot .	The Loan is repable in 20 Quarterly Installment starting from June 2018. Last installment due in Jun 2024. Rate of interest 10.35 % p.a. as at year end (previous year - 10.35 %)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

	Nature of Security	Terms of Repayment
22.8	Term Loans from Union Bank, balance outstanding amounting to Rs 258.33 lacs (31 March, 2020 Rs. Nil lacs) is secured by First pari passu charge on Inventory, Book debts and other current assets of the company present and future along with other working capital lenders .	The Loan is repable in 18 Monthly Installment starting from Jan 2021. Last installment due in Jun 2022. Rate of interest 8.00 % p.a. as at year end.
22.9	Term Loans from HDFC Bank, balance outstanding amounting to Rs 550.00 lacs (31 March, 2020 is Rs. Nil lacs) is Secured by the Post dated cheques and Personal Guarantee of one Director.	The loan is repable in 2 Equal Installment starting from Apr 2021. Last installment due in May 2021. Rate of Interest 9.00 % p.a. as at year end.
22.10	Term Loans from Indusind Bank, balance outstanding amounting to Rs 4,888.09 lacs (31 March, 2020 is Rs. Nil lacs) is secured by Equitable Mortgage of 9 acres 81 cents land situated in Tamil Nadu. Personal Guarantee of one Director.	The Loan is repable in 23 Quarterly Installment starting from Sep 2020. Last installment due in March 2026. Rate of interest 11.00 % p.a. as at year end .
22.11	Term Loans from SBI Bank, balance outstanding amounting to Rs 560.00 lacs (31 March, 2020 is Rs. Nil lacs) . Secured by all existing securities given for Working Capital Loan	The Loan is repable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 7.95 % p.a. as at year end .
22.12	Term Loans from SBM Bank, balance outstanding amounting to Rs 983.00 lacs (31 March, 2020 is Rs. Nil lacs) is secured by second charge on the entire current assets of the company both present and future. Personal Guarantee of one Director.	The Loan is repable in 48 Monthly Installment starting from Feb 2022. Last installment due in Jan 2026. Rate of interest 9.25 % p.a. as at year end .
22.13	Term Loan from Yes Bank, balance outstanding amounting to Rs. 39.04 lacs (31 March, 2020 Rs. Nil lacs) .Secured by all existing securities given for various Loans.	The Loan is repable in 20 Quarterly Installment starting from Jul 2020. Last installment due in Jul 2025. Rate of interest 10.35 % p.a. as at year end .
22.14	Term Loan from Yes Bank, balance outstanding amounting to Rs. 344.00 lacs (31 March, 2020 Rs. Nil lacs) is secured by second charge on Immoveable fixed (Land & Building) of the plot admeasuring 20.01 acres, Located at khasra no. 1,2,3, in Akkampeta Village and Khasra no.287 & 288 Kadaluru village, Tada Mandal, Nellore District,Andhra Pradesh.	The Loan is repable in 48 Monthly Installment starting from Mar 2022. Last installment due in Feb 2026. Rate of interest 8.85 % p.a. as at year end .
22.15	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

23. OTHER NON CURRENT FINANCIAL LIABILITIES

Rs. in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Security Deposit with related parties	84.56	78.67
(b) Lease Liability	279.68	340.18
TOTAL	364.24	418.85

The Maturity analysis of lease liabilities is disclosed in note no. 52

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****24. NON-CURRENT PROVISION**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Provision for Employees Benefit	–	40.37
TOTAL	<u>–</u>	<u>40.37</u>

25. OTHER NON-CURRENT LIABILITY

(a) Government Grant	57.02	25.63
(b) Advance Lease Rent	76.72	83.71
TOTAL	<u>133.74</u>	<u>109.34</u>

26. DEFERRED TAX LIABILITY**a) Deferred Tax Liabilities**

Related to Fixed Assets	661.66	573.01
TOTAL	<u>661.66</u>	<u>573.01</u>

27. CURRENT BORROWING**Secured**

- Working Capital Loans From Banks	28,816.85	37,233.26
TOTAL	<u>28,816.85</u>	<u>37,233.26</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) Acceptances	3,046.48	260.51
(b) Payable to others than Micro and small Enterprises	691.97	1,818.11
(c) Payable to Related Parties	857.11	1,503.87
(refer note no 53)		
(d) Payable to Micro and Small Enterprises	528.39	748.14
TOTAL	<u>5,123.95</u>	<u>4,330.63</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****Due to Micro and Small Enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) The principal amount remaining unpaid to any supplier at the end of the year	528.39	748.14
b) Interest due remaining unpaid to any supplier at the end of the year	—	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	—	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	—	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	—	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	—	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

29. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Current maturities of Long -Term debt	1,863.23	807.03
(b) Interest Accrued	57.51	124.92
(c) Unpaid Dividend	7.12	8.53
(d) Due to Employee	221.80	249.18
(e) Expenses Payable	219.40	111.87
(f) Statutory Dues Payable	144.95	106.40
(g) Capital Creditors	18.19	9.20
(h) Other Payable	—	13.65
(i) Derivatives-Foreign Exchange Forward Contract	—	403.68
(j) Lease Liability	73.35	79.24
TOTAL	<u>2,605.55</u>	<u>1,913.70</u>

30. PROVISIONS

(a) Provision for Employees Benefits	149.81	160.09
TOTAL	<u>149.81</u>	<u>160.09</u>

31. OTHER CURRENT LIABILITIES

(a) Advance from Customer	116.87	217.62
TOTAL	<u>116.87</u>	<u>217.62</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****32. REVENUE FROM OPERATIONS**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Sales of Products		
(a) Manufactured Goods	37,859.35	54,041.28
(b) Stock-in-trade	163.80	377.03
Sales of Services	—	16.60
Other Operating Revenues		
(a) Export Incentives	1,966.56	3,306.99
(b) Foreign Exchange Gain	(312.47)	(412.43)
TOTAL	<u>39,677.24</u>	<u>57,329.47</u>

32.1 Reconciliation of Revenue recognised in Statement of Profit and Loss with contracted price

Revenue as per contracted price	38,058.76	54,552.16
Less: Discount, rebates etc.	35.61	117.25
Total Revenue from Contract with Customers	<u>38,023.15</u>	<u>54,434.91</u>

32.2 Revenue by Location of Customers

India	2,036.71	3,824.76
Outside India	35,986.44	50,610.15
Total Revenue from Contract with Customers	<u>38,023.15</u>	<u>54,434.91</u>

33. OTHER INCOME

(a) Interest Income from loan & advances	1.58	12.88
(b) Other non operating income		
- Rental Income	294.80	288.72
- Profit on sale of Property, Plant & Equipment	—	1.51
- Other Income	131.22	143.75
TOTAL	<u>427.60</u>	<u>446.86</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****34. COST OF MATERIALS CONSUMED**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening Stock	32,160.81	30,803.29
Add : Purchases	20,670.58	33,555.31
	52,831.39	64,358.60
Less : Closing Stock	31,841.29	32,160.81
MATERIALS CONSUMED	20,990.10	32,197.79

35. CHANGE IN INVENTORIES OF FINISHED GOODS

(a) Opening Stock	8,558.17	7,706.86
(b) Closing Stock	8,471.90	8,558.17
Decrease/(Increase)	86.27	(851.31)

36. EMPLOYEE BENEFIT EXPENSES

(a) Salary & Allowances	3,243.62	3,637.75
(b) Contribution to Provident & Other fund	240.90	250.35
(c) Staff Welfare Expenses	166.37	157.67
(d) Employee Stock Option Plan	—	37.01
TOTAL	3,650.89	4,082.78

37. FINANCE COST

(a) Interest Expense- Net	1,918.75	1,676.02
(b) Borrowing Cost	331.28	224.69
(c) Exchange difference regarded as an adjustment to borrowing cost	68.09	395.71
TOTAL	2,318.12	2,296.42

38. DEPRECIATION AND AMORTISATION

(a) Depreciation on Property Plant and Equipment	689.72	682.65
(b) Amortisation on Intangible Assets	26.28	75.50
(c) Depreciation on Investment Property	10.91	10.91
(d) Amortisation on Right of Use Assets	108.79	104.10
TOTAL	835.70	873.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Rs. in Lakhs

39. OTHER EXPENSES

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
<u>(I) Manufacturing Expenses</u>		
(a) Fabrication Charges	7,984.00	11,066.33
(b) Other Manufacturing Expenses	323.13	382.76
(c) Freight & Cartage	68.25	100.18
<u>(II) Selling & Administrative Expenses</u>		
(a) Legal And Professional Charges	791.59	675.89
(b) Power & Fuel	150.34	183.31
(c) Bank Charges	342.56	408.70
(d) Repair & Maintainance		
- Building	50.64	50.62
- Plant & Machinery	67.58	68.47
- Others	428.12	500.87
(e) Communication	60.26	68.32
(f) Rates Taxes & Duties	65.20	26.82
(g) Insurance	110.12	70.01
(h) Rent	55.36	80.22
(i) Travelling & Conveyance	452.87	952.73
(j) Freight on Exports	372.12	731.58
(k) Commission, Brokerage & Discount	110.45	369.81
(l) Loss on Sale /Discard of Property, Plant & Equipment	6.24	-
(m) Misc. Expenses	319.47	476.28
(n) Expenditure towards CSR activities	81.85	39.88
(o) Directors Meeting Fees	4.43	2.58
(p) Packing Expenses	26.50	113.75
TOTAL	<u>11,871.08</u>	<u>16,369.11</u>

40. TAX EXPENSES

I) Current Tax

Current Tax on taxable income for the year	—	792.32
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II) Deferred Tax

Relating to origination and reversal of temporary differences	79.95	(442.88)
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Income tax expenses reported in statement of profit and loss	<u>79.95</u>	<u>349.44</u>
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Effective Income Tax Rate	33.62%	13.98%
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs**

- 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	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Accounting profit before tax	237.84	2,500.11
Statutory income tax rate (%)	25.17	25.17
Computed tax expenses	59.86	629.23
Impact of adoption of New Tax regime under section 115BAA		(273.42)
Tax in respect of earlier years	—	-
Long term capital gain exempt from taxation	—	-
Income exempt from taxation	—	-
Deduction under section 24 of income tax act	(19.46)	(19.36)
Non-Deductable expenses for tax purpose	39.55	12.99
Income tax charge to statement of profit and loss account	<u>79.95</u>	<u>(349.44)</u>

- 40.2 Deferred Tax Assets /(Liability)

Opening Balance	(573.01)	(1,005.45)
Add: Deferred Tax charged/ (credited) to profit & loss account during the year	(79.95)	442.88
Add: Deferred Tax charged/ (credited) to Other Comprehensive Income during the year	(8.70)	(10.44)
Closing Balance	<u>(661.66)</u>	<u>(573.01)</u>

41. CONTINGENT LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020
i) Letter of Credit / Import Bills outstanding -	734.11	405.71
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	8,849.21	8,962.63
iii) 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.	428.93	416.40
iv) Karnataka Vat Demand Under dispute	56.60	56.60

42. CAPITAL AND OTHER COMMITMENTS

Particulars	As at 31st March, 2021	As at 31st March, 2020
i) Commitments under import of capital goods at concessional rate of custom duty.	213.34	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

43. EMPLOYEE BENEFITS PLANS

Rs. in Lakhs

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

a) Defined Contribution Plans

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	174.24	186.03
b) Employees State Insurance Corporation	1.17	1.83

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, 2021	As at 31st March, 2020
Expected return on plan assets	6.80%	6.60%
Discount rate	6.80%	6.60%
Salary increase rate	3% for one year and 6% thereafter	3% for one year and 6% thereafter
Employee turnover	5.00%	5.00%
In service mortality	IALM (2012-14)	IALM (2012-14)

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

Particulars	Gratuity	
	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Current Service Cost	63.33	55.38
Net Interest Expenses	1.00	7.06
Past Service Cost	—	-
Components of defined benefit costs recognised in profit or Loss	64.33	62.44
Re-measurement on the Net Defined Benefit liability:		
Actuarial (gains)/ losses on obligation for the year	(2.52)	(43.71)
Return On Plan Assets	(31.44)	2.96
Net (Income)/Expenses for the year ended recognized in OCI	(33.96)	(40.75)

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

Particulars	Gratuity	
	As at 31st March, 2021	As at 31st March, 2020
Present Value of Defined Benefit Obligation	390.62	361.59
Fair Vale of Plan Asset	(419.85)	(321.22)
Net Liability arising from Defined Benefit Obligation	(29.23)	40.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****iv) Movements in the present value of the defined benefit obligation are as follows:**

Particulars	Gratuity	
	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Opening Defined Obligation	361.58	361.47
Interest Cost	22.20	26.64
Current Service Cost	63.33	55.38
Past Service Cost		-
Benefits Paid Directly by the employer	(53.97)	(38.20)
Actuarial (gains)/ Losses	(2.52)	(43.71)
Closing Defined Benefit Obligation	<u>390.62</u>	<u>361.58</u>

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

Opening fair Value of Plan assets *	321.22	254.60
Interest Income	21.20	19.58
Contribution by the Employer	99.97	88.20
Return On Plan Assets Excluding Interest Income	(22.53)	(41.16)
Closing fair Value of Plan assets	419.86	321.22

*** Fund managed by the approved insurance company Kotak Life Insurance**

Investment With Insurer	100.00%	100.00%
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Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2021 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	(377.10)	405.07
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	405.14	(376.92)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2020 is as follows:

Particulars	Increase Effect	Decrease Effect
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	(348.49)	375.59
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	371.91	(351.39)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**Rs. in Lakhs****44. EARNING PER SHARE**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Profit/(loss) for the year	157.89	2,150.67
No. of share at the beginning of the year (A)	12,201,869	12,194,174
Equity allotted during the year	500	7,695
Weighted average shares (B)	177	3,345
Weighted average shares outstanding (nos.) (A+B)	12,202,046	12,197,519
Effect of diluted number of share		
Add:- Employee stock option plan	22,859	43,690
Weighted average number of equity share for diluted earning per share	12,224,905	12,241,209
Basic earning per share	1.29	17.63
Diluted earning per share	1.29	17.57

45. 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.

46. EMPLOYEE STOCK OPTION PLAN

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

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

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

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

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

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

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

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

Grant Date	April 5, 2018			
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	April 05, 2019	April 05, 2020	April 05, 2021	April 05, 2022
%age of vesting	16.67	16.67	16.66	50.00
Exercise Price (in Rs.)	330.00	330.00	330.00	330.00
Grant Date	February 03, 2018			
Vesting tranche	Vesting I	Vesting II	Vesting III	Vesting IV
Vesting date	February 03, 2019	February 03, 2020	February 03, 2021	February 03, 2022
%age of vesting	10.00	20.00	30.00	40.00
Exercise Price (in Rs.)	450.00	450.00	450.00	450.00

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

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

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

Grant Date	January 28, 2014	
Vesting tranche	Vesting I	Vesting II
Vesting date	1st February, 2015	1st March, 2015
%age of vesting	50	50
Exercise Price (in Rs.)	156	156

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

The activity in the Employees Stock Option Plan during the year ended 31st March, 2021 is as under:

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Number of options outstanding at the beginning of the period	91,823	99,518
Number of options granted during the year	—	-
Number of options forfeited / lapsed during the year	65,812	-
Number of options vested during the year	14,000	11,000
Number of options exercised during the year	500	7,695
Number of shares arising as a result of exercise of options	500	7,695
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 25,000	Rs. 3,84,750
Loan repaid by the Trust during the year from exercise price received	NA	NA
Number of options outstanding at the end of the year	25,511	91,823
Number of options exercisable at the end of the year	25,511	45,823

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

Date of Grant	September 16, 2015	December 31, 2015	February 03, 2018	April 5, 2018
Weighted average share price	Rs. 468.70	Rs 521.15	Rs. 463.55	Rs. 216.15
Exercise price	Rs. 50.00	Rs. 50.00	Rs. 450.00	Rs. 330.00
Expected volatility	29.24%	33.10%	25.71%	36.78%
Option life (comprising of weighted average of vesting period and exercise period)	7 years	7 years	8 years	5.50 years
Expected dividends	0.21%	0.19%	0.26%	0.29%
Risk free rate of return	8.17%	7.96%	7.82%	7.22%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Rs. in Lakhs

47. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Gross amount required to be spent	53.84	46.25
(b) Amount spent:		
(i) Construction/acquisition of any asset	—	—
(ii) On purpose other than (i) above	81.85	39.88
(c) Administrative Expenses	—	—

48. 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".

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

Audit Fees	11.50	11.50
Limited Review	4.50	4.50
Reimbursement of Expenses	1.50	1.50
Certification	0.34	0.42

50. FAIR VALUE MEASUREMENT

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

The following methods and assumptions were used to estimate the fair values:

Trade receivables, cash and cash equivalents, other bank balances, short term loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

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

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

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

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

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. in Lakhs			
	As at 31st March, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	7,774.03	—	—	7,774.03
Cash & cash equivalents	489.81	—	—	489.81
Other bank balance	2,181.40	—	—	2,181.40
Loans	1,277.91	—	—	1,277.91
Other financial assets	2,847.30	—	—	2,847.30
At FVTPL				
Investments	0.01	0.01	—	—
Other financial assets	21.65	—	21.65	—
Financial Liabilities				
At Amortised Cost				
Borrowings	39,068.41	—	—	39,068.41
Trade payables	5,123.95	—	—	5,123.95
Other financial liabilities	1,106.56	—	—	1,106.56
At FVTPL				
Other financial liabilities	—	—	—	—
Particulars	As at 31st March, 2020			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	7,740.53	-	-	7,740.53
Cash & cash equivalents	3,625.40	-	-	3,625.40
Other bank balance	1,166.86	-	-	1,166.86
Loans	951.02	-	-	951.02
Other financial assets	2,743.34	-	-	2,743.34
At FVTPL				
Investments	0.01	0.01	-	-
Other financial assets	-	-	-	-
Financial Liabilities				
At Amortised Cost				
Borrowings	40,488.49	-	-	40,488.49
Trade payables	4,330.63	-	-	4,330.63
Other financial liabilities	1,121.84	-	-	1,121.84
At FVTPL				
Other financial liabilities	403.680	-	403.680	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

51. CAPITAL MANAGEMENT

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

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 22, 27 & 29)	39,068.41	40,488.49
Less: Cash and cash equivalents (Note 15)	489.81	3,625.40
Net Debt	38,578.60	36,863.09
Equity Share Capital	1,220.24	1,220.19
Other Equity	27,920.40	27,736.69
Total Capital	29,140.64	28,956.88
Capital and Net Debt	67,719.24	65,819.97
Gearing Ratio	56.97%	56.01%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020.

52. 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 31st March, 2021	As at 31st March, 2020
Not Due	4,939.41	5,341.04
Less than 6 month	1,714.24	1,949.16
More than 6 month	1,120.38	450.33

Rs. in Lakhs

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Liquidity Risk

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

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

Maturity Profile of Financial Liabilities

Particulars	As at 31st March, 2021			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	31,921.00	6,779.68	367.73	39,068.41
Trade Payable	5,123.95	-	-	5,123.95
Lease Liabilities	73.35	154.45	125.23	353.03
Other Financial Liabilities	1,033.21	-	-	1,033.21

Particulars	As at 31st March, 2020			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of Long Term borrowing)	38,040.29	1,627.10	821.10	40,488.49
Trade Payable	4,330.63	-	-	4,330.63
Lease Liabilities	79.24	222.58	117.60	419.42
Other Financial Liabilities	1,525.52	-	-	1,525.52

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	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Total Borrowings	39,068.41	40,488.49
% of Borrowings out of above bearing variable rate of interest	73.76%	91.96%

Interest Rate Sensitivity

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

100 bp increase would decrease the profit before tax by	573.01	339.51
100 bp decrease would Increase the profit before tax by	(573.01)	339.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Foreign Currency Risk Management

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	80.55	407.37	91.73	463.10
EURO	21.13	148.28	19.50	215.97
GBP	34.87	39.21	30.44	69.91
HKD	0.22	0.58	0.22	0.58

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, 2021		As at 31st March, 2020	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	294.47	(294.47)	347.01	(347.01)
EURO	90.62	(90.62)	81.20	(81.20)
GBP	175.70	(175.70)	143.00	(143.00)
HKD	0.10	(0.10)	0.11	(0.11)
Foreign Currency Monetary Liabilities				
USD	(1,489.04)	1,489.04	(1,751.67)	1,751.67
EURO	(636.01)	636.01	(899.20)	899.20
GBP	(197.59)	197.59	(328.37)	328.37
HKD	(0.27)	0.27	(0.28)	0.28
Impact on Profit or Loss as at the end of reporting year	(1,762.02)	1,762.02	(2,408.20)	2,408.20

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

Disclosure Regarding Derivative Instruments.

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

The following are outstanding forward contracts.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Currency	Foreign Currency Lacs	Currency	Foreign Currency Lacs
Forwards Contracts	USD	58.80	USD	105.00
	EURO	5.50	EURO	17.00
	GBP	38.00	GBP	40.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

53. RELATED PARTY DISCLOSURES AS PER IND AS 24

a) Name of Related Parties & Nature of Relationship:	Country	Ownership Interest
i) Subsidiary Companies :		
Bhartiya Global Marketing Ltd.	India	100%
J&J Leather Enterprises Ltd.	India	100%
Bhartiya International SEZ Ltd	India	88.95%
Bhartiya Fashion Retail Ltd.	India	100%
Bhartiya Urban Infrastructure Ltd.	India	100%
World Fashion Trade Ltd	Mauritius	100%
Ultima S.A.	Switzerland	100%
Ultima Italia SRL	Italy	100%
Design Industry Ltd.	Hongkong	100%
Design Industry China Ltd.	China	100%
ii) Associate Parties :		
Bhartiya Urban Pvt. Ltd. (Bhartiya City Developers Pvt. Ltd.)	India	37%
Tada Mega Leather Cluster Pvt Ltd.	India	50%
iii) Executive Directors:		
Manoj Khattar		Whole Time Director
iv) Non-Executive Directors		
Snehdeep Aggarwal		Director
Ramesh Bhatia		Director
C.L. Handa		Independent Director
Sandeep Seth		Independent Director
Shashank		Independent Director
A. Sahasranaman		Independent Director
Annapurna Dixit		Independent Director
SM Swathi		Independent Director
Robert Burton Moore Jr		Director
v) Enterprises owned or significantly influenced by Executive Directors or their relatives :		
Itopia Management Services (India) Pvt. Ltd.		
Parushni Interior Designs Pvt. Ltd.		
vi) Trust		
Bhartiya International Ltd Employees Group Gratuity Scheme		Post Employment Benefit Plan

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. in Lakhs	
	2020-21	2019-20
b) Transactions during the year with Related Parties :		
1. Sales		
Ultima S.A.	804.27	3,985.98
Design Industry Ltd.	67.40	45.83
J&J Leather Enterprises Ltd.	33.45	70.20
Bhartiya Urban Pvt. Ltd.	0.30	-
2. Other Income		
Ultima S.A.	107.35	138.01
3. Purchase / Job Work		
Ultima Italia SRL	1.56	-
J & J Leather Enterprises Ltd	1,547.69	2,011.30
Design Industry China Ltd.	1.72	7.65
4. Salaries		
Manoj Khattar	73.41	97.29
5. Lease Rent / Rent Paid		
Bhartiya Global Marketing Ltd.	1.00	1.00
J & J Leather Enterprises Ltd	24.00	24.00
6. Lease Rent Received		
Bhartiya Urban Pvt. Ltd.	234.35	234.35
Parushni Interior Designs Pvt Ltd	18.00	18.00
7. Service Charges Paid		
Bhartiya International Sez Ltd.	41.89	37.50
Bhartiya Fashion Retail Ltd.	8.85	10.00
8. Legal and Professional Fees		
Itopia Management Services (India) Pvt. Ltd	6.50	4.25
Robert Burton Moore Jr	74.67	89.75
Snehdeep Aggarwal	9.00	10.00
9. Sitting Fee		
Ramesh Bhatia	0.43	0.03
C.L. Handa	1.08	0.56
Sandeep Seth	1.08	0.75
Shashank	1.08	0.63
A. Sahasranaman	0.43	0.36
Annapurna Dixit	-	0.25
SM Swathi	0.32	-
10. Contribution to Gratuity Trust		
Bhartiya International Limited Employees Group Gratuity Scheme	46.00	50.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

Particulars	Rs. in Lakhs	
	2020-21	2019-20
c) Balances Outstanding at the year end:		
1. Advance Paid		
Ultima S.A.	11.50	11.50
Bhartiya Urban Pvt. Ltd.	—	22.11
Parushni Interior Designs Pvt. Ltd	0.03	-
2. Advance with Suppliers		
J & J Leather Enterprises Ltd.	1,057.47	630.00
Design Industry China Ltd.	0.25	1.12
Ultima S.A.	—	148.05
3. Trade Receivable		
Designs Industry Ltd.	85.82	19.54
Ultima S.A.	504.71	212.69
Ultima Italia SRL	1.48	1.44
Bhartiya International SEZ Ltd.	15.38	-
4. Security Deposit (Paid)		
Bhartiya Global Marketing Ltd.	5.00	5.00
5. Trade Payables		
Bhartiya International SEZ Ltd.	—	11.85
Ultima Italia SRL	857.11	1,488.47
World Fashion Trade Ltd.	—	3.55
6. Expenses/Others Payables		
Itopia Management services(India) Pvt. Ltd.	2.76	-
Snehdeep Aggarwa	0.69	-
7. Security Deposit (Received)		
Bhartiya Urban Pvt. Ltd.	159.79	159.79
Parushni Interior Designs Pvt. Ltd.	1.50	1.50
8. Standby Letter of Credit (SBLC) Issued by Company Bankers		
Ultima S.A.	8,849.21	8,962.63
9. Corporate Guarantee given by Company		
World Fashion Trade, Ltd. Ultima Italia SRL and Ultima S.A.	428.93	416.40

54. COVID-19**ASSESSMENT NOTE:**

The Company's operations and financial statements for the year ended 31st March, 2021 have been impacted partially by the outbreak of COVID-19 pandemic and the consequent lockdown announced by central and state governments, due to which the operations were suspended for a large part of the quarter ended June 30, 2020 and resumed gradually with prescribed regulations and precautions. Accordingly, the financial results presented for the year ended 31st March, 2021 are not strictly comparable with those of previous periods. Accordingly, the company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the company's revenue from operations and estimation of sales related expenses over the foreseeable future and the recoverability and carrying value of certain assets such as property, plant and equipment, investments, inventories, trade receivables, deferred tax assets & input tax credit receivables. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial results, which may differ from impact considered as at the date of approval of these financial results. The company continues its business activities in lines with the guidelines issue by the Government authorities take steps to strengthen its liquidity position and further explore cost restructuring exercise. The company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the company is closely monitoring the situation as it evolves in future.

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

Yogesh Kumar Gautam

Company Secretary

Raj Kumar Chawla

Chief Financial Officer

Manoj Khattar

Whole Time Director

DIN: 00694981

Ramesh Bhatia

Director

DIN: 0052320

Gurugram, 29th June, 2021

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
Bhartiya Global Marketing Ltd.	31st March, 2021	INR (lacs)	499.90	(103.05)	404.33	7.48	322.68	-	0.24	(0.06)	0.18	100.00
J&J Leather Enterprises Ltd.	31st March, 2021	INR (lacs)	207.50	250.80	2086.55	1628.25	35.00	1616.08	(76.43)	13.03	(63.40)	100.00
Bhartiya International SEZ Ltd.	31st March, 2021	INR (lacs)	1356.92	(53.70)	1337.18	33.96	-	41.89	(27.36)	0.11	(27.25)	88.95
Bhartiya Urban Infrastructure Ltd.	31st March, 2021	INR (lacs)	5.00	(2.02)	3.03	0.05	-	0.50	0.10	(0.03)	0.08	100.00
Bhartiya Fashion Retail Ltd.	31st March, 2021	INR (lacs)	50.00	(44.00)	7.28	1.28	-	8.85	0.70	(0.29)	0.41	100.00
Ultima S. A	31st March, 2021	CHF	1000000.00	7017454.00	19199921.00	11182467.00	2480930.00	13696997.00	301743.00	(43321.00)	258422.00	100.00
Design Industry Ltd.	31st March, 2021	HK\$	1000000.00	5034995.00	34394931.00	29259936.00	-	67844815.00	2359928.00	-	2359928.00	100.00
Design Industry China Ltd.,	31st March, 2021	RMB/Yuan	2000000.00	(301074.00)	191465.00	292539.00	-	4102892.00	268847.00	-	268847.00	100.00
Ultima Italia SRL	31st March, 2021	EURO	20000000.00	(66853.00)	3585476.00	1652329.00	-	1058322.00	(353846.00)	84238.00	(269608.00)	100.00
World Fashion Trade Ltd.	31st March, 2021	HK\$	5480570.00	(5353235.00)	2033445.00	1906110.00	-	1268126.00	1111845.00	-	1111845.00	100.00

	CHF	HK\$	Euro	RMB Yuan
Exchange rate for Balance Sheet items (except shares capital figures which are stated at invested value)	77.5	9.41	85.78	11.14
Exchange rate for Profit and Loss	80.5	9.58	86.48	10.97

PART – B: ASSOCIATES AND JOINT VENTURES

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

(Rs. in Lakhs)

Name Of Associates and Joint Ventures	Last Audited Balance Sheet Date	Share of Associate/Joint Venture held by the company as on year end			Description of Significant Influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance sheet	Profit/Loss for the Year	
		No.	Amount of Investment in Associate/Joint venture	Extent of Holding				Considered in Consolidation	Not Considered in Consolidation
Bhartiya Urban Private Limited	31st March, 2021	34393260	3999.60	36.77%	Voting Power	-	3,754.93	(887.33)	-
Tada Mega Leather Cluster Pvt. Ltd.	31st March, 2021	5000	0.05	50.00%	Voting Power	-	(1.65)	-	-

BOARD'S REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2021 are as follows:

(Rs. in Lakhs)

PARTICULARS	2020-21	2019-20
Total Income	7.06	7.37
Total Expenses	7.30	7.99
Profit/(Loss) for the year after Tax	(0.18)	(3.85)

PERFORMANCE REVIEW

The Net Loss after tax during the year under review was reported at Rs. 0.18 lacs.

DIVIDEND

Yours directors do not recommend any dividend for the financial year ended 31st March, 2021.

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.

ANNUAL RETURN

Currently Company does not have a website.

DIRECTORS

Mr. Ramesh Bhatia, Mr. Manoj Khattar, Mr. Ashok Kumar Gadhok and Ms. Jaspal Sethi continue to be the Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Ashok Kumar Gadhok (DIN: 01254410), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2020-21, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2020-21 is provided below:

Date of Board Meetings	Name of Directors Presents			
	Mr. Ramesh Bhatia	Mr. Manoj Khattar	Ms. Jaspal Sethi	Mr. Ashok Kumar Gadhok
26.06.2020	Present	Present	Present	Present
10.08.2020	Present	Present	Present	Present
10.11.2020	Absent	Present	Present	Present
10.02.2021	Absent	Present	Present	Present

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties is provided in form AOC-2.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. that in the preparation of the annual accounts for the financial year ended 31st March, 2021, 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, 2021 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) hold office upto 26th Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7th May, 2018 has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the 25th 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 AND MAINTENANCE OF COST RECORD

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2021-22.

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

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your Company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

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

HUMAN RESOURCES

Your company's philosophy has always been based on the progressive and continuous improvement, whether in business or any other function. We have given utmost importance to our human resources and believes in upgrading the skill, knowledge in the respective areas which has helped your company to foster a positive culture and transparency in the system.

Your company firmly believes that people are its most valued asset, and the focus is to retain and sustain a highly qualified and diverse work force.

PARTICULARS OF EMPLOYEES

During the financial year 2020-21, the Company had 2 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 2021 were in receipt of Rs. 8.5 lacs per month or more.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**Conservation of Energy**

The same is not applicable to your company.

Technology Absorption

The same is not applicable to your company.

Foreign Exchange Earnings & Outgo

There is no Foreign Exchange Earnings and Outgo.

ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES

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

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. Since the Company has only two employees, therefore there is no requirement of formulating Internal Complaint Committee and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes which have occurred in between the financial year ended on 31st March, 2021 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

New Delhi, 12th August, 2021

Manoj Khattar
Director
DIN: 00694981

A. K. Gadhok
Director
DIN: 01254410

FORM NO. AOC –2

(Pursuant to clause (h) of sub–section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's Length Basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at Arm's length basis.

S. N.	Name of the Related Party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts / arrangements / transactions including the value, if any	Amount paid as advances, if any
1	Bhartiya International Limited	Lease Rent Received	Ongoing basis	Rs. 1,00,000/-	-
2	J&J Leather Enterprises Limited	Consultancy Received	Ongoing basis	Rs. 6,00,000/-	-

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Bhartiya Global Marketing Ltd**

Opinion

We have audited the accompanying financial statements of Bhartiya Global Marketing Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income) the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its Loss and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statement and our auditor's report there on. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

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

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

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

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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided for managerial remuneration.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.

- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.K. PODDAR
Partner
Mem. No. 094479
UDIN: 21094479AAAACK5804
New Delhi, 28th June, 2021

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, 2021, 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 Property, Plant & Equipment 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.
- 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, goods and service tax, duty of customs, 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, 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 given 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
UDIN: 21094479AAAACK5804
New Delhi, 28th June, 2021

ANNEXURE – B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya Global Marketing Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 21094479AAAACK5804

New Delhi, 28th June, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021**Rs. in Lakhs**

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I Assets			
1 Non – Current Assets			
(a) Property, Plant and Equipment	2	1.31	1.31
(b) Investment Property	3	4.93	4.93
(c) Investments in Subsidiaries, Associate, and Joint Venture	4	322.68	322.68
(d) Financial Assets			
(i) Loans	5	0.39	0.39
(e) Deferred Tax Assets (Net)		21.19	21.13
2 Current Assets			
(a) Inventories	6	1.52	1.52
(b) Financial Assets			
(i) Trade Receivables	7	–	6.48
(ii) Cash and Cash Equivalents	8	37.51	30.32
(iii) Loans	9	–	0.39
(c) Current Tax Assets (Net)		0.45	0.60
(d) Other Current Assets	10	14.35	14.36
Total Assets		<u>404.33</u>	<u>404.10</u>
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	11	499.90	499.90
(b) Other Equity	12	(103.05)	(102.87)
2 Liabilities			
Non – Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	13	0.21	0.19
(b) Other Non-Current Liability	14	4.78	4.79
3 Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15	1.64	1.52
(b) Provisions	16	0.83	0.55
(c) Other Current Liabilities	17	0.02	0.02
Total of Equity and Liabilities		<u>404.33</u>	<u>404.10</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. 014969N

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

New Delhi, 28th June, 2021

Manoj Khattar

Director

DIN: 00694981

A.K. Gadgok

Director

DIN: 01254410

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Rs. in Lakhs

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Income:			
Revenue from operations		-	-
Other Income	18	7.06	7.37
Total Income		<u>7.06</u>	<u>7.37</u>
Expenses:			
Change in Inventories of Finished Goods	19	-	-
Employee Benefits Expense	20	5.93	5.82
Depreciation and Amortisation Expense	21	-	0.21
Other Expenses	22	1.37	1.96
Total Expenses		<u>7.30</u>	<u>7.99</u>
Profit/ (Loss) before Tax		(0.24)	(0.62)
Tax Expenses	23		
i Current Tax		-	(0.29)
ii Deferred Tax		(0.06)	3.52
Profit / (Loss) for the year		<u>(0.18)</u>	<u>(3.85)</u>
Other Comprehensive Income		-	-
Items that will not be Reclassified to profit or Loss			
Total Comprehensive Income for the Year		<u>(0.18)</u>	<u>(3.85)</u>
Earnings per Equity Share of Face Value			
Basic (in Rs.)		(0.004)	(0.08)
Diluted (in Rs.)		(0.004)	(0.08)

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

New Delhi, 28th June, 2021

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

		Rs. in Lakhs
Particulars	Note No.	Equity Capital (Rs)
a) Equity Share Capital	11	
Balance as at 31st March, 2019		499.90
Change in equity share capital during the year 2019-20		-
Balance as at 31st March, 2020		499.90
Change in equity share capital during the year 2020-21		-
Balance as at 31st March, 2021		499.90

Particulars	Note No.	Retained Earning (Rs)
b) Other Equity	12	
Balance as at 31st March, 2019		(99.02)
Profit/(Loss) for the year 2019-20		(3.85)
Other comprehensive income for the year		-
Balance as at 31st March, 2020		(102.87)
Profit/(Loss) for the year 2020-21		(0.18)
Other comprehensive income for the year		-
Balance as at 31st March, 2021		(103.05)

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

New Delhi, 28th June, 2021

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2021**Rs. in Lakhs**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Exception Items	(0.24)	(0.62)
Adjusted for:		
Depreciation and amortisation expenses	—	0.21
Rental income	(1.02)	(1.02)
Loss/(Profit) on sale of Property, Plant & Equipment (net)	—	(0.29)
Operating Profit before Working Capital Changes	(1.26)	(1.72)
Movements in working capital:		
Increase/ (decrease) in other financial liabilities	0.12	(0.83)
Increase/ (decrease) in other liabilities	—	(0.02)
Increase/ (decrease) in provisions	0.28	(0.87)
Decrease/ (increase) in other current assets	0.01	0.02
Decrease/ (increase) trade receivables	6.48	0.18
Decrease/ (increase) in current loans	0.38	(0.18)
Cash Generated from Operations	6.01	(3.42)
Income tax paid (Net)	(0.15)	(0.89)
Net Cash (used in)/ Generated from Operating Activities – (A)	6.16	(2.53)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Rental Income	1.02	1.02
Proceeding from sale of property plant & equipment	—	1.35
Net Cash from/ (used in) Investing Activities – (B)	1.02	2.37
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from/ (used in) financing activities – (C)	—	-
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	7.18	(0.16)
Cash and Cash Equivalents - Opening Balance	30.32	30.48
Cash and Cash Equivalents – Closing Balance	37.51	30.32

Note: The above statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of cash Flows.

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

New Delhi, 28th June, 2021

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1.1 CORPORATE INFORMATION

Bhartiya Global Marketing Ltd. ('the Company'), promoted by Bhartiya International Ltd. is a public ltd company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company has its registered office at New Delhi .The Company is in the business of trading of leather & textile products.

1.2 BASIS OF PREPARATION

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

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

Depreciation is provided on straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Companies Act 2013.

b) Investment Properties

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

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

c) Investment In Subsidiaries

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

d) Inventories

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

e) Cash & Cash Equivalents

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

f) Revenue Recognition

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

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discount, returns and taxes. transaction price is recognised based on the price specified in the contract, net of discount.

g) Revenue from Services

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

NOTES (CONTD.)**h) Interest Income**

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

Rental Income is recognised on accrual basis.

i) 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.

j) 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.

k) 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.

l) Provision and Contingent Liabilities

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

NOTES (CONTD.)

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

m) Financial Instruments

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

Financial Assets

These include trade receivables, cash and cash equivalents, other bank balances, fixed deposits with Banks, other financial assets and investments.

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

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

Financial assets are subsequently classified as measured at

- Amortised Cost
- Fair Value through Profit and Loss (FVTPL)
- Fair Value through Other Comprehensive Income (FVOCI).

Derecognition

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

Financial Liabilities**Initial Recognition and Measurement**

These include trade and other payables, loans and borrowings including Bank OD .

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Derecognition

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

NOTES (CONTD.)**2. PROPERTY, PLANT AND EQUIPMENT****Rs. in Lakhs**

Particulars	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	Total
Gross Carrying Amount					
Cost as at 31st March, 2019	0.81	2.47	0.25	0.21	3.74
Addition					
Disposal		2.33			2.33
Cost as at 31st March, 2020	0.81	0.14	0.25	0.21	1.41
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2021	0.81	0.14	0.25	0.21	1.41
Accumulated Depreciation					
Balance as at 31st March, 2019	-	1.07	0.09	-	1.16
Addition	-	0.21	-	-	0.21
Disposal		1.27			1.27
Balance as at 31st March, 2020	-	0.01	0.09	-	0.10
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2021	-	0.01	0.09	-	0.10
Net Carrying Amount					
Balance as at 31st March, 2020	0.81	0.13	0.16	0.21	1.31
Balance as at 31st March, 2021	0.81	0.13	0.16	0.21	1.31

NOTES (CONTD.)

3. INVESTMENT PROPERTY	Rs. in Lakhs
Particulars	Land
Gross Carrying Amount	
Cost as at 31st March, 2019	4.93
Addition	-
Disposal	-
Cost as at 31st March, 2020	4.93
Addition	-
Disposal	-
Balance as at 31st March, 2021	4.93
Accumulated Depreciation	
Balance as at 31st March, 2019	-
Addition	-
Disposal	-
Balance as at 31st March, 2020	-
Addition	-
Disposal	-
Balance as at 31st March, 2021	-
Net Carrying Amount	
Balance as at 31st March, 2020	4.93
Balance as at 31st March, 2021	4.93
Fair Value	
As at 31st March, 2020	698.50
As at 31st March, 2021	698.50

3.1

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Rental income derived from investment properties	1.00	1.00
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Income arising from Investment Properties before Depreciation	1.00	1.00
Depreciation	-	-
Income from Investment Properties (Net)	1.00	1.00

3.2 Estimation of Fair Value

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

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

NOTES (CONTD.)

4. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE		Rs. in Lakhs	
Particulars	As on 31st March, 2021	As on 31st March, 2020	
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.	322.68	322.68	
	<u>322.68</u>	<u>322.68</u>	
Aggregate amount of unquoted Investments before impairment	322.68	322.68	
Less: Provision for diminution in value of investment	—	-	
Aggregate amount of unquoted Investments after impairment	322.68	322.68	
5. NON – CURRENT LOAN			
(Unsecured & Considered Good)			
(a) Security and Other Deposits	0.39	0.39	
TOTAL	<u>0.39</u>	<u>0.39</u>	
6. INVENTORIES			
(a) Finished Goods	1.52	1.52	
TOTAL	<u>1.52</u>	<u>1.52</u>	
7. TRADE RECEIVABLES			
(Unsecured, Considered Good)			
(a) Trade Receivables	—	-	
(b) Receivable from Related Parties	—	6.48	
TOTAL	<u>—</u>	<u>6.48</u>	
8. CASH AND CASH EQUIVALENTS			
a) Balances with Banks			
In Current Accounts	35.22	28.44	
b) Cash on Hand	2.29	1.89	
TOTAL	<u>37.51</u>	<u>30.32</u>	
9. CURRENT LOAN			
(Unsecured & Considered Good)			
(a) Loan to Employee	—	0.39	
TOTAL	<u>—</u>	<u>0.39</u>	
10. OTHER CURRENT ASSETS			
a) Prepaid Expenses	—	0.01	
b) Mat Credit Entitlement	14.35	14.35	
TOTAL	<u>14.35</u>	<u>14.36</u>	

NOTES (CONTD.)**11. SHARE CAPITAL** **Rs. in Lakhs**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Authorised Share Capital		
a) 50,00,000 (Previous Year 50,00,000) Equity Shares of Rs.10/- each.	500.00	500.00
	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed & Paid up :		
a) 49,99,020 (Previous Year 49,99,020) Equity Shares of Rs.10/- each, Fully Paid Up.	499.90	499.90
TOTAL	<u>499.90</u>	<u>499.90</u>

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

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 Amount (Rs.)	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 Amount (Rs.)
Shares outstanding at the beginning of the year	4,999,020	499.90	4,999,020	499.90
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	4,999,020	499.90	4,999,020	499.90

11.2 The details of Shareholders holding more than 5% shares:

Name of the share holders	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 % of Holding	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 % of Holding
(a) Bhartiya International Ltd.	4,999,020	100	4,999,020	100.00

11.3 Shares held by holding company and subsidiaries of holding company in aggregate:

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2020 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	4,999,020	4,999,020

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

12. OTHER EQUITY

Particulars	Retained Earning	Total
Balance as at 31st March, 2019	(99.02)	(99.02)
Profit for the year	(3.85)	(3.85)
Other comprehensive income for the year	-	-
Balance as at 31st March, 2020	(102.87)	(102.87)
Profit for the year	(0.18)	(0.18)
Other comprehensive income for the Qtr ended	-	-
Balance as at 31st March, 2021	(103.05)	(103.05)

NOTES (CONTD.)**13. OTHER NON–CURRENT FINANCIAL LIABILITIES****Rs. in Lakhs**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Security Deposit with Related Parties	0.21	0.19
TOTAL	<u>0.21</u>	<u>0.19</u>

14. OTHER NON–CURRENT LIABILITIES

(a) Advance lease rent	4.78	4.79
TOTAL	<u>4.78</u>	<u>4.79</u>

15. OTHER CURRENT FINANCIAL LIABILITIES

(a) Due to Employee	0.52	0.43
(b) Expenses Payable	0.56	0.55
(c) Statutory Dues Payable	0.56	0.54
TOTAL	<u>1.64</u>	<u>1.52</u>

16. PROVISIONS

(a) Provision for Employees Benefits	0.83	0.55
TOTAL	<u>0.83</u>	<u>0.55</u>

17. OTHER CURRENT LIABILITIES

(a) Advance Lease Rent	0.02	0.02
TOTAL	<u>0.02</u>	<u>0.02</u>

18. OTHER INCOME

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
(a) Interest on Income Tax Refund	0.04	0.06
(b) Rental Income	1.02	1.02
(c) Services Charges	6.00	6.00
(d) Profit on Sale of Fixed Assets	–	0.29
TOTAL	<u>7.06</u>	<u>7.37</u>

NOTES (CONTD.)

Particulars	Rs. in Lakhs	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
19. CHANGE IN INVENTORIES OF FINISHED GOODS		
(a) Opening Stock	1.52	1.52
(b) Closing Stock	1.52	1.52
Decrease/(Increase)	<u>—</u>	<u>—</u>
20. EMPLOYEE BENEFIT EXPENSES		
(a) Salary & Allowances	5.52	5.41
(b) Contribution to Provident & Other fund	0.41	0.41
(c) Staff Welfare Expenses	—	—
TOTAL	<u>5.93</u>	<u>5.82</u>
21. DEPRECIATION AND AMORTISATION		
(a) Depreciation on Property Plant and Equipment	—	0.21
TOTAL	<u>—</u>	<u>0.21</u>
22. OTHER EXPENSES		
(a) Professional Charges	0.14	0.18
(b) Power & Fuel	0.64	0.94
(c) Bank Charges	0.02	0.03
(d) Auditors Remuneration	0.40	0.40
(e) Rates & Taxes	0.03	0.32
(f) Insurance	0.01	0.05
(g) General Expenses	0.02	0.03
(h) Conveyance Expenses	—	0.01
(i) Fee & Subscription	0.11	—
TOTAL	<u>1.37</u>	<u>1.96</u>
23. TAX EXPENSES		
I) Current Tax		
(a) Current Tax on taxable income for the year	—	(0.29)
II) Deferred Tax		
(a) Related To Capital Assets	(0.06)	3.52
Relating to origination and reversal of temporary differences		
	<u>(0.06)</u>	<u>3.23</u>
Effective Income Tax Rate	25.00%	(520.97%)

NOTES (CONTD.)

- 23.1 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:

	Rs. in Lakhs	
Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Accounting profit before tax	(0.24)	(0.62)
Statutory Income Tax Rate	26.00%	26.00%
Computed tax expenses	(0.06)	(0.16)
Tax in respect of earlier years	—	(0.29)
Due to change in tax rate	—	3.56
Permanent tax difference	—	0.02
Income tax charge to statement of profit and loss account	<u>(0.06)</u>	<u>3.13</u>

- 23.2 Deferred Tax Assets /(Liability) **Rs. in Lakhs**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Opening balance	21.13	24.66
Add: Difference in books value and written down value as per income tax	(0.04)	0.01
Add: Carry forward losses for current year	0.10	0.02
Add: Effect of Change in tax rate	—	(3.56)
Closing Balance	<u>21.19</u>	<u>21.13</u>

24. CONTINGENT LIABILITIES NOT PROVIDED FOR

- a. 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.

- 24.1 Investment include 600 equity shares of the value of Rs.72,120/- in M/s J & J Leather Enterprises Ltd. held in the name of six nominees of the company.

- 24.2 Related Party Disclosures as per Ind AS 24 :-

i) **Holding Company:**

Bhartiya International Ltd

ii) **Subsidiary Companies :**

J&J Leather Enterprises Ltd.

iii) **Key Management Personnel:**

Directors

Manoj Khattar

Jaspal Sethi

Ramesh Bhatia

A. K. Gadhok

NOTES (CONTD.)**Rs. in Lakhs****v) Transactions during the year with Related Parties**

Particulars	2020-2021	2019-2020
1 Lease Rent Received		
Bhartiya International Ltd	1.00	1.00
2 Consultancy Received		
J & J Leather Enterprises Ltd	6.00	6.00
vi) Balances Outstanding at the year end:	2020-2021	2019-2020
1 Trade Receivable		
J & J Leather Enterprises Ltd	-	6.48
2 Security Deposit Received		
Bhartiya International Ltd	5.00	5.00

24.3 Earning Per Share (EPS)

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
a) Net Profit/(loss) for the year	(0.18)	(3.85)
b) Weighted Average Shares Outstanding during the year	4,999,020	4,999,020
c) Basic/Diluted earnings per share	(0.00360)	(0.07704)

24.4 Auditor's Remuneration

Audit Fees	0.40	0.40
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24.5 Balances with Corporation Bank of Rs. 1,66,254/- in three inoperative accounts are subject to confirmation/reconciliation.

24.6 Employee Benefits Plans

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

a) Defined Contribution Plans

Detail of amount recognised as expense for defined contribution plans is given below:

a) Provident Fund*	0.34	0.33
b) Employees State Insurance Corporation	0.07	0.08

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, 2021	As at 31st March, 2020
Discount rate	6.90%	6.65%
Salary increase rate	5% for next 1 year and 10% thereafter	5% for next 1 year and 10% thereafter
In service mortality	IALM (2012-14)	IALM (2012-14)

NOTES (CONTD.)

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

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Current Services Cost	0.18	0.17
Net Interest Expenses	0.12	0.12
Components of defined benefit costs recognised in profit or Loss	0.30	0.29
Remeasurement on the net defined benefit liability:	—	-
Actuarial (gains)/ losses on obligation for the year	(0.24)	0.01
Net(Income)/Expenses for the year ended recognized in OCI	(0.24)	0.01

iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined

Present Value of defined benefit obligation	1.91	1.85
Fair Value of Plan Asset	3.56	3.56
Net Liability/(Asset) arising from defined benefit obligation	(1.65)	(1.71)

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

Opening defined obligation	1.85	1.55
Current service cost	0.18	0.17
Interest Cost	0.12	0.12
Actuarial (gains)/ losses	(0.24)	0.01
Closing defined benefit obligation	1.91	1.85

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

Opening fair Value of Plan assets *	3.56	3.56
Return on plan assets excluding interest income	—	-
Closing fair Value of Plan Assets	3.56	3.56

*** Fund managed by the approved Insurance Company**

Particulars	Gratuity	
	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Investment	75.39%	75.39%

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2021 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 0.5% on Defined benefit obligations	(1.80)	2.03
Effect of Increase/decrease in salary escalation by 0.5% on Defined benefit obligations	2.03	(1.80)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2020 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(1.97)	1.74
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	1.97	1.74

NOTES (CONTD.)**24.7 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, 2021	As at 31st March, 2020
Not later than one year	1.00	1.00
Later than one year and not later than five years	4.00	4.00
Later than five years	32.00	33.00

24.8 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.

Particulars	As at 31st March, 2021			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	—	—	—	—
Cash & Cash Equivalents	37.51	—	—	37.51
Loan	0.39	—	—	0.39
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	1.85	—	—	1.85

Particulars	As at 31st March, 2020			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	6.48	-	-	6.48
Cash & Cash Equivalents	30.32	-	-	30.32
Loan	0.78	-	-	0.78
Financial Liabilities				
At Amortised Cost				
Trade Payables				
Other Financial Liabilities	1.71	-	-	1.71

NOTES (CONTD.)

24.9 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.

24.10 Financial Risk Management

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

Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

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

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

Particulars	Rs. in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Less than 6 month	—	6.48
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, 2021			
	0-1 year	1-5 year	Beyond 5 year	Total
Other Current Liabilities	1.85	—	—	1.85

Particulars	As at 31st March, 2020			
	0-1 year	1-5 year	Beyond 5 year	Total
Other Current Liabilities	1.71	-	-	1.71

As per our report of even date attached

SUSHIL PODDAR & CO.

Chartered Accountants

Firm Registration No. 014969N

For and on behalf of the Board

S. K. Poddar

Partner

Mem. No. 094479

New Delhi, 28th June, 2021

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

AOC-1

Pursuant to Proviso to Sub-Section 3 of Section 129 with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of Financial Statement of Subsidiaries/Associates Companies/Joint Ventures

PART-A: SUBSIDIARIES

Name of Subsidiary	Financial Year Ended	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding Share capital & Reserves & Surplus)	Investments	Turnover	Profit / Loss before Taxation	Provision for Taxation	Rs. in Thousand	
											Profit / Loss after Taxation	% of Share holding
J&J Leather Enterprises Ltd.	31st March, 2021	Indian Rupees	20750.00	25080.57	208655.22	174949.75	3500.00	161608.02	(7643.38)	(1303.18)	(6340.20)	100.00

BOARD'S REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2021 are as follows:

(Rs. in Thousands)

Sl. No.	Particulars	2020-21	2019-20
1.	Net Sales /Income from Operations	161608.02	194230.15
2.	Other Income	15055.31	10851.80
3.	Total Expenses	184306.71	204977.10
4.	Tax Expense	(8946.56)	1075.91
5.	Profit for the year after Tax	(6340.20)	(866.21)

PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

During the year under review, your Company achieved a turnover of Rs. 161,608.02 thousands as against Rs. 194,230.15 thousands in the previous year. The net loss for the year was reported at Rs. 6,340.20 thousands.

DIVIDEND

Yours directors do not recommend any dividend for the financial year ended 31st March, 2021.

RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

SHARE CAPITAL

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

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any Subsidiary or Associate Company.

ANNUAL RETURN

Currently Company does not have any website.

DIRECTORS

The Board of Directors comprises of Mr. Amrishpal Singh, Mr. Manoj Khattar and Mr. 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), 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 2020-21, Seven Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2020-21 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Amrishpal Singh	Mr. Manoj Khattar	Mr. C. L. Handa
23.05.2020	Present	Present	Present
29.06.2020	Present	Present	Present
10.08.2020	Absent	Present	Present
18.09.2020	Absent	Present	Present
18.10.2020	Present	Present	Present
10.11.2020	Present	Present	Present
10.02.2021	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 are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties is provided in form AOC-2.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2021, 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, 2021 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.

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.

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 30th 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 AND MAINTENANCE OF COST RECORD

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2021-22.

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

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your Company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

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

ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES

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

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. Since the Company has only 1 employee, therefore there is no requirement of formulating Internal Complaint Committee and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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 2020-21, the Company had only 1 Employee.

None of the Employees were in receipt of remuneration of Rs. 60 lacs per annum or more and none of the employees employed for the part of the financial year 2021 were in receipt of Rs. 5 lacs per month or more.

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The same is not applicable to your Company.

Technology Absorption

The same is not applicable to your Company.

Foreign Exchange Earnings & Outgo

There are no Foreign Exchange earning and during the year under review Foreign Exchange outgo include Rs. 551.15 thousand.

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2021 and date of the report of the company which affects the financial position of the company except the impact of Covid-19 detailed below.

IMPACT OF COVID-19

The Directors have been closely reviewing with the Management, the impact of COVID-19 on the Company. Your Company had to temporarily suspend operations at its manufacturing facility and office as per the directives of the Government and keeping in mind the paramount need of safety of the employees. The operations, though in a scaled down manner, have since commenced after obtaining permissions from the authorities concerned and all safety measures including social distancing are being followed. The situation created by Covid-19 continues to hold some uncertainties for the future; however, the Board and the Management will do it's best to address the same, as the situation evolves, in the interests of all stakeholders 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 employees various government and local authorities as well as the various banks.

For and on behalf of the Board

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

Chennai, 12th August, 2021

FORM NO. AOC –2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:-

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

- a) Name(s) of the related party and nature of relationship
- b) Nature of contracts/arrangements/transactions
- c) Duration of the contracts/arrangements/transactions
- d) Salient terms of the contracts or arrangements or transactions including the value, if any
- e) Justification for entering into such contracts or arrangements or transactions
- f) Date (s) of approval by the Board
- g) Amount paid as advances, if any:
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

(Rs. in Thousands)

S. N.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Amount paid as advances, if any:
1	Bhartiya International Limited	Job Work	Ongoing basis	Rs. 1,66,768.96 /-	-

INDEPENDENT AUDITOR'S REPORT

**To the Members of
J&J LEATHER ENTERPRISES LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **J&J LEATHER ENTERPRISES LTD.** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other 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 and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, the loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon :

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this Auditors' Report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material

misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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) In our opinion and to the best of our information and in accordance with explanations provided to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the

Companies Act 2013.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

(N. Ramani)

Partner

Mem No. 022438

UDIN:21022438AAAADA3120

Chennai, 28th June, 2021

ANNEXURE – A TO AUDITORS' REPORT

Referred to in paragraph 1 under section titled 'Report on other legal and regulatory requirements' of our report of even date.

- i. In respect of Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. These Fixed Assets have been physically verified by the management at reasonable intervals. No material discrepancies were observed by the management 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.
- ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The company has not entered into any transactions in respect of any loans to director, security and guarantees covered under section 185 of the Companies Act 2013. In respect of investments provisions of section 186 of the Companies Act 2013 have been complied with.
- v. The company has not accepted any deposit from the public within the provisions of Section 73 to 76 of The Companies Act 2013.
- vi. 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.
- vii. a) The Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance, Income-Tax, Goods & Services Tax, Customs Duty, Cess and other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable.
- b) There are no disputed sales tax/income tax/custom tax/service tax/excise duty/cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. The Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, governments or dues to debenture holders
- ix. There were no moneys raised by way of initial public offer (IPO) or further public offer (including debt instruments). The company has applied the term loans for the purpose for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us by the Company and on the

basis examination of books and records of the company, no fraud on or by the company has been noticed or reported during the year.

- xi. According to the information and explanations given to us, and in our opinion, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. The Company is not a Nidhi company and hence the para 3(xii) of the order is not applicable.
- xiii. All the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act 2013, and the details have been disclosed in the Financial statements, as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.
- xv. The company has not entered into any non-cash transactions with directors or persons connected with him and hence 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. Hence, provisions of clause 3(xvi) of the Order, are not applicable to the Company.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

(N. Ramani)

Partner

Mem No. 022438

UDIN:21022438AAAADA3120

Chennai, 28th June, 2021

ANNEXURE — B TO THE AUDITORS' REPORT

Referred to in paragraph 3(f) under section titled 'Report on other legal and regulatory requirements' of our report of even date.

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 31 March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Padmanabhan Ramani & Ramanujam

Chartered Accountants

Firm Registration No: 002510S

(N. Ramani)

Partner

Mem No. 022438

UDIN:21022438AAAADA3120

Chennai, 28th June, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

		Rs. in Thousand	
Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I Assets			
1 Non – Current Assets			
(a) Property, Plant and Equipment	2	90,523.57	95,672.99
(b) Other Intangible Assets	3	726.42	1,137.58
(c) Right of use Assets	4	21,978.76	19,730.59
(d) Capital Work-In-Progress		8,033.37	6,199.83
(e) Financial Assets			
(i) Investment	5	3,500.00	3,500.00
(ii) Loans	6	6,568.30	5,932.81
(f) Other Non Current Assets	7	1,095.24	554.13
(g) Deferred Tax Assets (net)		229.08	-
2 Current Assets			
(a) Inventories	8	41,584.10	60,505.05
(b) Financial Assets			
(i) Trade receivables	9	3,977.79	786.30
(ii) Cash and cash equivalents	10	1,836.34	3,534.27
(iii) Loans	11	341.20	292.00
(iv) Others Financial Assets	12	-	699.28
(c) Current Tax assets (net)		7,575.25	9,209.35
(d) Other Current Assets	13	20,685.80	19,318.86
Total Assets		<u>208,655.22</u>	<u>227,073.04</u>
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	14	20,750.00	20,750.00
(b) Other Equity	15	25,080.57	31,373.28
2 Liabilities			
Non – Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	11,638.19	12,783.24
(ii) Other financial liabilities	17	20,698.73	19,310.54
(b) Provisions	18	4,126.17	3,765.91
(c) Deferred Tax Liabilities (Net)		-	1,057.41
3 Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		5,975.79	8,680.31
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,272.11	54,159.99
(ii) Other financial liabilities	20	8,030.41	9,494.54
(b) Provisions	21	2,171.88	2,674.12
(c) Current Tax Liabilities		16.36	16.36
(d) Other Current Liabilities	22	105,895.01	63,007.34
Total of Equity and Liabilities		<u>208,655.22</u>	<u>227,073.04</u>

Significant accounting policies and The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

For and on behalf of the Board

N. Ramani

Partner

Mem. No. 022438

Chennai, 28th June, 2021

Amrishpal Singh

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Rs. in Thousand	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
Income			
Revenue from Operations	23	161,608.02	194,230.15
Other Income	24	15,055.31	10,851.80
Total Income		<u>176,663.33</u>	<u>205,081.95</u>
Expenses			
Cost of Material Consumed	25	36,270.92	22,899.74
Manufacturing & Operating Expenses	26	81,456.84	106,709.60
Employee Benefits Expense	27	34,066.76	41,115.40
Finance Costs	28	3,440.74	3,330.30
Depreciation and Amortisation Expense	29	10,071.22	8,059.99
Other Expenses	30	19,000.23	22,862.07
Total Expenses		<u>184,306.71</u>	<u>204,977.10</u>
Profit/ (Loss) before Tax		(7,643.38)	104.85
Tax Expenses	31		
i Current Tax		—	—
ii Deferred tax		(1,303.18)	971.06
Profit / (Loss) for the year		<u>(6,340.20)</u>	<u>(866.21)</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss			
- Remeasurements of the defined benefit plans		64.18	(91.01)
- Income tax relating to above items		(16.69)	23.66
Total Comprehensive Income for the Year		<u>(6,292.71)</u>	<u>(933.56)</u>
Earnings per equity share of face value of Rs 100/- each			
Basic (in Rupees)		(30.56)	(4.17)
Diluted (in Rupees)		(30.56)	(4.17)
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

Firm Registration No. 002510S

Chartered Accountants

N. Ramani

Partner

Mem. No. 022438

Chennai, 28th June, 2021

For and on behalf of the Board**Amrishpal Singh**

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

					Rs. in Thousand
Particulars					Equity Capital
a) Equity share Capital (Refer Note – 14)					
Balance as at 31st March, 2019					20,750.00
Change in equity share capital during the year 2019-20					-
Balance as at 31st March, 2020					20,750.00
Change in equity share capital during the year 2020-21					-
Balance as at 31st March, 2021					20,750.00
Particulars					Total
Reserve and Surplus					
	Securities Premium	Capital Reserve	Retained Earning	Other Comprehensive Income (Defined Benefit Plans)	
b) Other Equity (Refer Note – 15)					
Balance as at 31st March, 2019	8,992.50	4,621.28	18,076.49	616.57	32,306.84
Profit/(Loss) for the year	-	-	(866.21)	-	(866.21)
Other comprehensive income (Net of Taxes)	-	-	-	(67.35)	(67.35)
Balance as at 31st March, 2020	8,992.50	4,621.28	17,210.28	549.22	31,373.28
Profit/(Loss) for the year	-	-	(6,340.20)	-	(6,340.20)
Other comprehensive income (Net of Taxes)	-	-	-	47.49	47.49
Balance as at 31st March, 2021	8,992.50	4,621.28	10,870.08	596.71	25,080.57

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

N. Ramani

Partner

Mem. No. 022438

Chennai, 28th June, 2021

For and on behalf of the Board**Amrishpal Singh**

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

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

Particulars	Rs. in Thousand	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax as per statement of Profit and loss	(7,643.38)	104.85
Adjustment for :		
Finance Cost	3,440.74	3,330.30
Depreciation and amortisation expenses	10,071.22	8,059.99
Rental Income	(2,400.00)	(2,400.00)
Operating profit/(loss) before working capital changes	3,468.58	9,095.14
Movements in working capital:		
Increase/ (decrease) in trade payables	(52,592.40)	46,238.53
Increase/ (decrease) in other financial liabilities	(370.11)	605.91
Increase/ (decrease) in other liabilities	42,887.67	55,852.32
Increase/ (decrease) in provisions	(77.80)	982.41
Decrease/ (increase) in inventories	18,920.95	(55,677.85)
Decrease/ (increase) trade receivables	(3,191.49)	(386.89)
Decrease/ (increase) in loan	(684.69)	689.93
Decrease/ (increase) in other current financial assets	699.28	1,360.17
Decrease/ (increase) in other current assets	(1,366.94)	(14,364.43)
Decrease/ (increase) in other Non-current assets	(541.11)	(537.77)
Cash (used in) / generated from operations	3,683.36	34,762.33
Income tax paid (Net)	1,634.10	(4,079.14)
Net cash (used in)/ generated from operating activities – (A)	8,786.04	39,778.33
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,079.24)	(29,200.72)
Purchase of Non-current Investment	–	(3,500.00)
Rental Income	2,400.00	2,400.00
Net cash from/ (used in) investing activities – (B)	(1,679.24)	(30,300.72)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings (net)	(4,213.40)	(4,168.96)
Interest and processing fees paid (net)	(1,808.97)	(2,404.13)
Payment of Lease Rent	(2,782.36)	(1,380.00)
Net cash from/ (used in) financing activities – (C)	(8,804.73)	(7,953.09)
Net increase / (decrease) in cash and cash equivalents –(A+B+C)	(1,697.93)	1,524.52
Cash and cash equivalents as at beginning of the year	3,534.27	2,009.75
Cash and cash equivalents as at the end of the year	1,836.34	3,534.27
Components of cash and cash equivalents:		
Cash on hand	309.01	394.86
Balances with scheduled banks:		
In current accounts	1,527.33	3,139.41
Cash and cash equivalents in cash flow statement	1,836.34	3,534.27

As per our report of even date attached

For Padmanabhan Ramani & Ramanujan

Firm Registration No. 002510S

Chartered Accountants

N. Ramani

Partner

Mem. No. 022438

Chennai, 28th June, 2021

For and on behalf of the Board**Amrishpal Singh**

Managing Director

DIN: 02735647

Manoj Khattar

Director

DIN: 00694981

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

1.0 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 are prepared under the historical cost convention unless otherwise indicated.

1.3 Current and Non Current Classification

Current Versus Non-Current Classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

1.4 Property, Plant and Equipment

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

Depreciation is provided on straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Companies Act 2013.

1.5 Capital Work-In-Progress

Capital WIP is carried at cost and directly attributable expenditure during the period which is allocated to the property, plant and equipment on the completion (of the project).

1.6 Lease

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

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

NOTES (CONTD.)**Company as a Lessee**

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

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

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

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

(ii) Lease Liabilities

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

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

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

Company as a Lessor

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

1.7 Inventories

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

NOTES (CONTD.)**1.8 Cash & Cash Equivalents**

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

1.9 Revenue Recognition**Revenue from Job work/ Services**

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

Revenue from Sale

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

Interest Income

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

1.10 Manufacturing and Operating Expenses

The Company classifies separately manufacturing and operating expenses which are directly linked to manufacturing and service activities of the Company

1.11 Income Tax

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

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

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

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

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

1.12 Provision and Contingent Liabilities

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

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

1.13 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.

1.14 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).

Derecognition

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

Financial Liabilities**Initial Recognition and Measurement**

These include trade and other payables, loans and borrowings including Bank OD.

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Derecognition

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

1.15 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.)**1.16 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.

1.17 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.

1.18 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.

1.19 Covid 19 Related Impact

Management has assessed the potential impact of COVID 19 based on the current circumstances and expects that there will be no significant impact on the continuity of operations of the Corporation, on useful life of the assets, on financial position etc. on a long term basis.

NOTES (CONTD.)**2. PROPERTY, PLANT AND EQUIPMENTS**

	Rs. in Thousand							
Particulars	LAND		OTHER THAN LAND					Total
	Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer Equipment	
Gross Carrying Amount								
Balance as at 31st March, 2019	2,752.99	28,621.43	57,067.65	931.34	375.03	1,980.94	692.68	92,422.06
Addition	-	4,179.83	19,768.07	202.79	-	127.26	141.31	24,419.26
Disposal	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	2,752.99	32,801.26	76,835.72	1,134.13	375.03	2,108.20	833.99	116,841.32
Addition	-	-	1,990.50	-	-	321.88	19.61	2,331.99
Disposal	-	-	1,013.66	-	-	-	-	1,013.66
Balance as at 31st March, 2021	2,752.99	32,801.26	77,812.56	1,134.13	375.03	2,430.08	853.60	118,159.65
Accumulated Depreciation								
Balance as at 31st March, 2019	-	2,951.10	10,213.37	208.69	211.82	626.14	408.76	14,619.88
Addition	-	1,188.20	4,787.19	99.32	69.95	260.22	143.57	6,548.45
Disposal	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	-	4,139.30	15,000.56	308.01	281.77	886.36	552.33	21,168.33
Addition	-	1,284.39	5,541.74	108.10	69.57	281.58	109.74	7,395.12
Disposal	-	-	927.37	-	-	-	-	927.37
Balance as at 31st March, 2021	-	5,423.69	19,614.93	416.11	351.34	1,167.94	662.07	27,636.08
Net carrying Amount								
Balance as at 31st March, 2020	2,752.99	28,661.96	61,835.16	826.12	93.26	1,221.84	281.66	95,672.99
Balance as at 31st March, 2021	2,752.99	27,377.57	58,197.63	718.02	23.69	1,262.14	191.53	90,523.57

3. INTANGIBLE ASSETS

Particulars	Rs. in Thousand	
	Computer Software	Total
Gross Carrying Amount		
Balance as at 31st March, 2019	1,354.81	1,354.81
Addition	1,000.00	1,000.00
Disposal	-	-
Balance as at 31st March, 2020	2,354.81	2,354.81
Addition	-	-
Disposal	-	-
Balance as at 31st March, 2021	2,354.81	2,354.81
Accumulated Depreciation		
Balance as at 31st March, 2019	744.14	744.14
Addition	473.09	473.09
Disposal	-	-
Balance as at 31st March, 2020	1,217.23	1,217.23
Addition	411.16	411.16
Disposal	-	-
Balance as at 31st March, 2021	1,628.39	1,628.39
Net Carrying Amount		
Balance as at 31st March, 2020	1,137.58	1,137.58
Balance as at 31st March, 2021	726.42	726.42

NOTES (CONTD.)**4. RIGHT OF USE ASSETS** **Rs. in Thousand**

Particulars	Building	Total
Gross Carrying amount		
Balance as at 31st March, 2019	-	-
Addition	20,769.04	20,769
Disposal		
Balance as at 31st March, 2020	20,769.04	20,769
Addition	4,513.12	4,513.12
Disposal		
Balance as at 31st March, 2021	25,282.16	25,282.16
Accumulated Depreciation		
Balance as at 31st March, 2019	-	-
Addition	1,038.45	1,038.45
Disposal		-
Balance as at 31st March, 2020	1,038.45	1,038.45
Addition	2,264.95	2,264.95
Disposal		
Balance as at 31st March, 2021	3,303.40	3,303.40
Net carrying Amount		
Balance as at 31st March, 2020	19,730.59	19,730.59
Balance as at 31st March, 2021	21,978.76	21,978.76

5. INVESTMENT IN EQUITY INSTRUMENTS

Particulars	As at 31st March, 2021 Share (No.)	Amount	As at 31st March, 2020 Share (No.)	Amount
A Investments in Equity Instrument (Unquoted)				
At Fair Value through Profit and Loss				
i) Pallavaram Tanners Industrial Effluent Treatment Co. Ltd.	31,525	3,500.00	31,525	3,500.00
		3,500.00		3,500.00
Aggregate amount of Unquoted Investments		3,500.00		3,500.00
Aggregate amount of impairment in value of Unquoted Investments		-		-

6. FINANCIAL ASSETS LOAN **Rs. in Thousand**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured & Considered Good)		
(a) Security and Other Deposits	6,568.30	5,932.81
TOTAL	6,568.30	5,932.81

7. OTHER NON CURRENT ASSETS

(a) Prepayment Lease Rent	1,078.88	537.77
(b) Mat Credit Entitlement	16.36	16.36
TOTAL	1,095.24	554.13

NOTES (CONTD.)

8. INVENTORIES		Rs. in Thousand	
Particulars	As at 31st March, 2021	As at 31st March, 2020	
(a) Consumable Stores	1,230.00	1,750.00	
(b) Raw Material	40,354.10	58,755.05	
TOTAL	<u>41,584.10</u>	<u>60,505.05</u>	
9. TRADE RECEIVABLES			
a) Unsecured, considered good)	3,977.79	786.30	
b) Secured, considered good)			
TOTAL	<u>3,977.79</u>	<u>786.30</u>	
10. CASH AND CASH EQUIVALENTS			
a) Balances with Banks			
- In Current Accounts	1,527.33	3,139.41	
b) Cash on Hand	309.01	394.86	
TOTAL	<u>1,836.34</u>	<u>3,534.27</u>	
11. CURRENT LOAN			
(Unsecured & Considered Good)			
(a) Advance to Employees	341.20	292.00	
TOTAL	<u>341.20</u>	<u>292.00</u>	
12. OTHER CURRENT FINANCIAL ASSETS			
a) Insurance Claim Receivable	—	699.28	
TOTAL	<u>—</u>	<u>699.28</u>	
13. OTHER CURRENT ASSETS			
a) Advances with Suppliers	258.89	2,138.13	
b) Prepaid Expenses	2,121.39	1,185.23	
c) Other Prepaid Staff Insurance	4.00	64.50	
d) GST Receivable	18,212.67	15,882.74	
e) Other Advances	—	7.20	
f) Prepayment Lease Rent	88.85	41.06	
TOTAL	<u>20,685.80</u>	<u>19,318.86</u>	

NOTES (CONTD.)**14. SHARE CAPITAL** **Rs. in Thousand**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Authorised Share Capital		
300,000 (31st March, 2020: 300,000) Equity Shares of Rs. 100/- each	30,000.00	30,000.00
	<u>30,000.00</u>	<u>30,000.00</u>
Issued, Subscribed & Paid up :		
2,07,500 (31st March, 2020: 207,500) Equity Shares of Rs. 100/- each	20,750.00	20,750.00
TOTAL	<u>20,750.00</u>	<u>20,750.00</u>

14.1 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, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	207,500	20,750.00	207,500	20,750.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	207,500	20,750.00	207,500	20,750.00

14.2 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.

14.3 The details of Shareholders holding more than 5% shares **Rs. in Thousand**

Name of the share holders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bhartiya Global Marketing Ltd.	207,500	100.00	207,500	100.00

14.4 Shares Held By holding company and subsidiaries of holding company in aggregate

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2020 No. of Shares
Shares held by holding company, Bhartiya Global Marketing Ltd.	207,500	207,500

15. OTHER EQUITY

Particulars	Securities Premium	Capital Reserve	Retained Earning	Other Comprehensive Income (Defined Benefit Plans)	Total
Balance as at 31st March, 2019	8,992.50	4,621.28	18,076.49	616.57	32,306.84
Profit for the year			(866.21)		(866.21)
Other comprehensive income (Net of Taxes)				(67.35)	(67.35)
Balance as at 31st March, 2020	8,992.50	4,621.28	17,210.28	549.22	31,373.28
Profit for the year			(6,340.20)		(6,340.20)
Other comprehensive income (Net of Taxes)				47.49	47.49
Balance as at 31st March, 2021	8,992.50	4,621.28	10,870.08	596.71	25,080.57

Nature and Amount of Reserve**a) Securities Premium**

The amount received in excess of face value of the equity shares is recognised in securities premium.

b) Capital Reserve

Grants in the nature of promoters recovered from Government are recognised as Capital Reserve.

NOTES (CONTD.)

16. NON – CURRENT BORROWINGS		Rs. in Thousand	
Particulars	As at 31st March, 2021	As at 31st March, 2020	
Secured			
Term Loans from Bank	11,638.19	12,783.24	
TOTAL	<u>11,638.19</u>	<u>12,783.24</u>	
Nature of Security		Terms of Repayment	
Term Loans from Indusind Bank, balance outstanding amounting to Rs 116.38 lacs (March 31,2020 Rs. 127.83 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.		The Loan is repable in 61 Monthly Installment starting from March 2018. Last installment due in March 2023. Rate of interest 10.40 % p.a. as at year end (previous year - 10.40%)	
17. OTHER CURRENT LIABILITY			
Lease Liability	20,698.73	19,310.54	
TOTAL	<u>20,698.73</u>	<u>19,310.54</u>	
18. PROVISION			
Provision for Gratuity	4,126.17	3,765.91	
TOTAL	<u>4,126.17</u>	<u>3,765.91</u>	
19. TRADE PAYABLES			
(a) Payable to Micro & Small Enterprises	5,975.79	8,680.31	
(b) Payable to Others	4,272.11	53,511.99	
(c) Payable to Related Parties	–	648.00	
TOTAL	<u>10,247.90</u>	<u>62,840.30</u>	
20. OTHER CURRENT FINANCIAL LIABILITIES			
(a) Current maturities of long -term debt	2,166	5,234	
(b) Due to employee	1,963.29	2,944.38	
(c) Expenses Payable	301.77	-	
(d) Statutory Dues Payable	620.40	311.19	
(e) Lease Liability	2,979.00	1,004.67	
TOTAL	<u>8,030.41</u>	<u>9,494.54</u>	
21. CURRENT PROVISIONS			
Provision for Bonus & Incentive	649.17	872.28	
Provision for Leave Encashment	1,452.06	1,556.60	
Provision for Gratuity	70.65	245.24	
TOTAL	<u>2,171.88</u>	<u>2,674.12</u>	
22. OTHER CURRENT LIABILITES			
(a) Advance from Customer	105,895.01	63,007.34	
TOTAL	<u>105,895.01</u>	<u>63,007.34</u>	

NOTES (CONTD.)

23. REVENUE FROM OPERATIONS		Rs. in Thousand	
Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020	
Sales of services			
(a) Sale of Services - Job Work	129,099.25	151,958.97	
Sales of products			
(a) Sales of Manufactured Goods	32,508.77	42,271.18	
TOTAL	<u>161,608.02</u>	<u>194,230.15</u>	
24. OTHER INCOME			
Interest Income	329.21	94.76	
Security Deposit	73.85	6.77	
Rent Income	2,400.00	2,400.00	
Other Miscellaneous Income	12,252.25	8,350.27	
TOTAL	<u>15,055.31</u>	<u>10,851.80</u>	
25. COST OF MATERIALS CONSUMED			
Opening Stock	60,505.05	4,827.20	
Add : Purchases	17,349.97	78,577.59	
	<u>77,855.02</u>	<u>83,404.79</u>	
Less : Closing Stock	41,584.10	60,505.05	
TOTAL	<u>36,270.92</u>	<u>22,899.74</u>	
26. MANUFACTURING & OPERATING EXPENSES			
Job work Expenses	60,599.01	76,685.31	
Electricity Expenses	9,685.47	12,454.73	
Machinery Maintenance	4,542.71	6,266.51	
Rent	58.11	1,377.59	
Effluent Treatment Expenses	3,805.85	6,607.43	
Generator Running & Maintenance	2,765.69	3,318.03	
TOTAL	<u>81,456.84</u>	<u>106,709.60</u>	
27. EMPLOYEE BENEFIT EXPENSES			
a) Salaries and Wages	30,707.38	36,588.24	
b) Contribution to Provident and Other Funds	2,248.84	2,727.60	
c) Staff welfare Expenses	1,110.54	1,799.56	
TOTAL	<u>34,066.76</u>	<u>41,115.40</u>	
28. FINANCE COSTS			
a) Interest Expenses	3,322.23	3,167.35	
(b) Borrowing Cost	118.51	162.95	
TOTAL	<u>3,440.74</u>	<u>3,330.30</u>	

NOTES (CONTD.)**29. DEPRECIATION AND AMORTISATION EXPENSE****Rs. in Thousand**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
(a) Depreciation on Property Plant and Equipment	7,395.11	6,548.45
(b) Amortisation on Intangible Assets	411.16	473.09
(c) Amortisation on Right to use Assets	2,264.95	1,038.45
TOTAL	<u>10,071.22</u>	<u>8,059.99</u>

30. OTHER EXPENSES

Legal & Professional	2,383.42	2,578.14
Bank Charges	13.41	25.76
Repair & Maintenance	3,356.14	4,508.27
Communication Expenses	111.15	114.60
Rate & Taxes	864.59	1,096.79
Rent-Others	652.77	711.94
Travelling & Conveyance	863.00	1,850.36
Freight Outward	2,510.93	4,159.07
Miscellaneous Expenses	2,048.72	970.80
Insurance	877.21	606.64
Security Expenses	4,724.68	5,249.49
Fees & Subscription	177.53	312.09
Printing & Stationery	185.88	310.14
Testing Charges	115.80	266.50
Auditors Remuneration-As Audit Fees	115.00	85.00
Foreign Exchange Gain/Loss	—	16.48
TOTAL	<u>19,000.23</u>	<u>22,862.07</u>

31. Tax Expenses**i) Current Tax**

Current Tax on Taxable Income for the year	—	16.36
Earlier Year Tax	—	-
Mat Credit Entitlement	—	(16.36)
	<u>—</u>	<u>—</u>

ii) Deferred Tax

Deferred Tax Charge/(Credit)	(1,303.18)	971.06
Deferred Tax on OCI	16.69	(23.66)
Income Tax reported in Statement of Profit & Loss	<u>(1,286.49)</u>	<u>947.40</u>

NOTES (CONTD.)**32. EMPLOYEE BENEFIT PLANS****Rs. in Thousand**

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

a) Defined Contribution Plans

Particulars	As at 31st March, 2021	As at 31st March, 2020
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident fund	2,088.36	2,537.46
b) Employees' State Insurance Corporation	160.34	190.14

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, 2021	As at 31st March, 2020
Expected return on plan Assets	0.00%	0.00%
Discount Rate	6.95%	6.65%
Salary Increase Rate	0% for next 1 Year and 6% thereafter	0% for next 1 Year and 6% thereafter
Employee Turnover	5.00%	5.00%
In Service Mortality	IALM (2012-14)	IALM (2012-14)

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

Particulars	Gratuity	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Current Services Cost	859.13	681.27
Net Interest Expenses	258.59	232.21
Past Services Cost	—	-
Components of defined benefit costs recognised in profit or Loss	<u>1,117.72</u>	<u>913.48</u>
Remeasurement on the net defined benefit Liability:		
Actuarial (gains)/ losses on obligation for the year	(64.18)	91.01
Return on plan assets	—	-
Net(Income)/ Expenses for the year ended recognized in OCI	<u>(64.18)</u>	<u>91.01</u>

NOTES (CONTD.)

Rs. in Thousand

iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined Benefits

Particulars	Gratuity	
	As at 31st March, 2021	As at 31st March, 2020
Present Value of defined benefit obligation	4,196.82	4,011.15
Fair Value of Plan Asset	—	—
Net Liability arising from defined benefit obligation	4,196.82	4,011.15

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

Particulars	Gratuity	
	As at 31st March, 2021	As at 31st March, 2020
Opening defined obligation	4,011.15	3,152.67
Interest cost	258.59	232.21
Current service cost	859.13	681.27
Past service cost	—	—
Benefits Paid	(867.87)	(146.01)
Actuarial (gains)/ losses	(64.18)	91.01
Closing defined benefit obligation	4,196.82	4,011.15

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

Particulars	Gratuity	
	As at 31st March, 2021	As at 31st March, 2020
	NA	NA

vi) Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2021 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	3,957.88	4,456.02
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	4,457.78	3,954.17

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2020 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	4,257.82	3,784.11
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	4,177.25	3,835.03

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

NOTES (CONTD.)**33 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".

34 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.

Rs. in Thousand

Particulars	As at 31st March, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	3,977.79	—	—	3,977.79
Cash & Cash Equivalents	1,836.34	—	—	1,836.34
Loans	6,909.50	—	—	6,909.50
Other Financial Assets	—	—	—	—
Financial Liabilities				
Borrowings	13,804.14	—	—	13,804.14
Trade Payables	10,247.90	—	—	10,247.90
Other Financial Liabilities	26,563.19	—	—	26,563.19

NOTES (CONTD.)**Rs. in Thousand**

Particulars	As at 31st March, 2020			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade receivable	786.30	-	-	786.30
Cash & Cash equivalents	3,534.27	-	-	3,534.27
Loans	6,224.81	-	-	6,224.81
Other Financial Assets	699.28	-	-	699.28
Financial Liabilities				
Borrowings	18,017.54	-	-	18,017.54
Trade Payables	62,840.30	-	-	62,840.30
Other Financial Liabilities	23,570.78	-	-	23,570.78

35. CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIAL (INCLUDING CONSUMABLES)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Amount	% of Total	Amount	% of Total
Indigenous	36,270.92	100.00	22,899.74	100.00
Imported	-	-	-	-
	<u>36,270.92</u>	<u>100.00</u>	<u>22,899.74</u>	<u>100.00</u>

36. Related Party Disclosure as per IND AS 24:**(a) Relationship:****i) Holding Companies**

Bhartiya Global Marketing Ltd.

Bhartiya International Ltd. - Ultimate Holding Company

ii) Key Management Personnel:

Mr. Amrishpal Singh

iii) Director:

Mr. Manoj Khattar

Mr. C.L.Handa

NOTES (CONTD.)

iv) (a) Transaction with Related Parties –		Rs. in Thousand		
Particulars	2020–21		2019–20	
	Holding Co	Key Management Personnel	Holding Co	Key Management Personnel
a) Rent (Received)	2,400.00	-	2,400.00	-
b) Leather Sales/Job Work	166,768.96	-	201,129.75	-
c) Salaries	-	282.50		300.00
d) Management fees paid	-	600.00		600.00
(b) Balances Outstanding at the Year End				
Sundry Creditors	-	25.00	648.00	25.00
Advance from Customer	105.747	-	63,007.34	

37. EARNINGS PER SHARE

	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Income available to Equity Shareholders	(6,340.20)	(866.21)
No of Shares at the beginning of the Year (A)	207,500.00	207,500.00
Changes during the year (B)	-	-
Weighted Average Shares Outstanding (nos) (A+B)	207,500.00	207,500.00
Weighted Average number of equity shares for Diluted EPS	207,500.00	207,500.00
Nominal Value per share	100	100
Earnings per share (Basic)	(30.56)	(4.17)
Earnings per share(Diluted)	(30.56)	(4.17)

38. Financial Risk Management

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

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

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

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Not due	-	-
Less than 6 month	3,617.31	387.84
More than 6 month	360.48	398.46

Liquidity Risk

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

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

NOTES (CONTD.)**Maturity Profile of Financial Liabilities** **Rs. in Thousand**

Particulars	As at 31st March, 2021			
	0–1 year	1–5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing	2,165.95	11,638.19	–	13,804.14
Trade Payable	10,247.90	–	–	10,247.90
Other Current Liabilities	26,563.19	–	–	26,563.19

Particulars	As at 31st March, 2020			
	0–1 year	1–5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing	5,234.30	12,783.24	-	18,017.54
Trade Payable	62,840.30	-	-	62,840.30
Other Current Liabilities	23,570.78	-	-	23,570.78

Market Risk

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

Interest Rate Risk

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

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Borrowings	13,804.14	18,017.54
% 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 31st March, 2021	As at 31st March, 2020
100 bp increase would decrease the profit before tax by	159.88	201.63
100 bp decrease would Increase the profit before tax by	159.88	201.63

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, 2021		As at 31st March, 2020	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	2.00	–	2.33	-
EURO	–	–	-	-

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	Rs. in Thousand			
	As at 31st March, 2021		As at 31st March, 2020	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	7.31	(7.31)	8.81	(8.81)
EURO	—	—	-	-
Foreign Currency Monetary Liabilities				
USD	—	—	-	-
EURO	—	—	-	-
Impact on profit or loss as at the end of reporting year	7.31	(7.31)	8.81	(8.81)

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.

39. Figures have been rounded off to the nearest rupee. Previous year figures have been regrouped wherever necessary.

As per our report of even date attached
For Padmanabhan Ramani & Ramanujan
 Firm Registration No. 002510S
 Chartered Accountants

N. Ramani
 Partner
 Mem. No. 022438
 Chennai, 28th June, 2021

For and on behalf of the Board

Amrishpal Singh
 Managing Director
 DIN: 02735647

Manoj Khattar
 Director
 DIN: 00694981

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 15th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2021:

Financial Statements Summary

The financial performance of the Company for the financial year ended 31st March, 2021 is summarized below:

(Rs. In Thousand)		
Particulars	2020-21	2019-20
Total Income	4599.87	4108.43
Total Expenses	7336.20	5573.83
Tax Expense	(10.91)	-
Profit / (Loss) for the year after Tax	(2725.42)	(1465.40)

Operations Review

The Company has requested to Andhra Pradesh Industrial Infrastructure Corporation Ltd (APIIC) for approval of de-notification of SEZ as this is not viable for leather industry to work in SEZ environment due to applicability of MAT and non-availability of duty drawback incentives. We are hopeful for its approval, which will enhance the viability of the SEZ.

The Company will follow-up for setting up of units by domestic and international companies immediately after completion of de-notification.

The performance of the unit operated by Bhartiya International Ltd in SEZ has been satisfactory.

Dividend

In view of losses, your directors do not recommend any dividend for the financial year ended 31st March 2021.

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, 2021.

The issued, subscribed, and paid-up share capital of your Company stood at Rs. 13,56,92,300/- (Rupees Thirteen Crore Fifty-Six Lacs Ninety-Two Thousand Three Hundred only) comprising of 1,35,69,230 (One Crore Thirty-Five Lacs Sixty-Nine Thousand Two Hundred Thirty) equity shares of Rs. 10/- (Rupees Ten only) each as on 31st March, 2021.

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, 2021.

Statutory Auditors

The Statutory Auditors of the Company, M/s. K A S G & Co., Chartered Accountants were appointed in the 11th Annual General Meeting (AGM) held on 15th September, 2017 as Statutory Auditors of the Company to hold office for a period of 5 (five) years from the conclusion of that Annual General Meeting till the conclusion of the 16th Annual General Meeting to be held in 2022.

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 15th AGM of the Company.

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.

Annual Return

Currently Company does not have a website.

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 15th Annual General Meeting and being eligible offers himself for re-appointment.

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.

During the year under review, the Board of Directors of the Company appointed Mr. P. Pratap as an Additional Director of the Company w.e.f. 10th July, 2020 being Nominee of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC), and who was appointed as regularized and appointed as Nominee Director in the Annual General Meeting of the Company held on 17th September 2020.

Also, the Board appointed Mr. Mukul Harmilapi as an Additional Director of the Company w.e.f. 10th August, 2020 pursuant to the recommendation of the Nomination & Remuneration Committee of the Board of Directors of the Company and who was also regularized and appointed as Director of the Company in the Annual General Meeting of the Company held on 17th September 2020.

Further, the Board of Directors of the Company appointed Mr. Siva Satyanarayana Reddy Manda as an Additional Director of the Company w.e.f. 19th April, 2021 being Nominee of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC), and who holds office up to the date of ensuing 15th 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. P. Pratap resigned from the post of Nominee Director of the Company with effect from 19th April, 2021.

During the year under review Mr. Amrishpal Singh was also appointed as Managing Director of the company for a term of 3 (Three) years with effect from 6th April, 2021 without any remuneration as Key Managerial Personnel of the Company in terms of Section 203 of Companies Act, 2013 read with rules thereof subject to the approval of members of the Company in the ensuing Annual General Meeting (AGM) of the Company.

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	Designation	Date of the Appointment	Date of the Resignation	Date of the change in Designation
1	Mr. P. Pratap	Nominee Director	10.07.2020	19.04.2021	-
2	Mr. Mukul Harmilapi	Director	10.08.2020	-	-
3	Mr. Siva Satyanarayana Reddy Manda	Additional Director	19.04.2021	-	-
4	Mr. Amrishpal Singh (Appointed as Managing Director)	Managing Director	06.04.2021	-	-
5	Ms. Varsha	Company Secretary	01.05.2019	20.09.2020	-
6	Mr. Bhoop Singh	Company Secretary	01.10.2020	-	-

b Number of Meetings of the Board of Directors

During the Financial Year 2020-21; 4 (Four) Nos. of Board Meetings were conducted on 19th June, 2020, 10th August, 2020, 27th October, 2020, and 1st February, 2021.

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 October, 2020 during the period under review. Further the Independent Directors also assessed the quality, quantity, and timelines of flow of information between the Company and Management of the Company.

Particulars of Employees

During the year, no employee whether employed for the whole year or part of the year, was drawing remuneration exceeding the limits as prescribed under Section 197(12) of the Companies Act, 2013, read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended 31st March, 2021.

Particulars of Loans, Guarantees or Investments Under Section 186

The details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

Particulars of Contracts or Arrangements with Related Parties under section 188(1)

The details of Related Party Transactions are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties is provided in form AOC-2 as 'Annexure-A'.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

There are no significant and material orders by the regulators / courts / tribunals that would impact the going concern status of the company and its future operations.

Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- 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;
- 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.
- the directors had prepared the annual accounts on a going concern basis.
- 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:**A) Conservation of energy:**

The same is not applicable to your Company.

(B) Technology absorption:

The same is not applicable to your Company.

(C) Foreign exchange earnings and Outgo:

There is no foreign exchange earnings and outgo.

Material changes and commitments, if any, affecting the financial position of the company occurred between at the end of the financial year dated 31st March, 2021 and the date of the report

There are no material changes occurred in between the financial year ended on 31st March, 2021 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

Gurugram, 4th August, 2021

Amrishpal Singh
Managing Director
DIN: 02735647

Manoj Khattar
Director
DIN: 00694981

ANNEXURE FORMING PART OF THE DIRECTOR'S REPORT**'ANNEXURE – A'****(Rs. in Thousand)****(Pursuant to clause (h) of sub–Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto

FORM NO. AOC–2

I.	Details of contracts or arrangements or transactions not at arm’s length basis					
a)	Name(s) of the related party and nature of relationship					N.A.
b)	Nature of contracts / arrangements / transactions					
c)	Duration of the contracts / arrangements / transactions					
d)	Salient terms of the contracts / arrangements / transactions including the value if any					
e)	Justification for entering into such contracts / arrangements / transactions					
f)	Date(s) of approval by the Board					
g)	Amount paid as advances, if any					
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188					
II.	Details of material contracts / arrangement / transactions at arm’s length basis					
S. N.	Name of the Related Party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts / arrangements / transactions including the value, if any	Amount paid as advances if any	
1.	Bhartiya International Limited	Service charges received	Ongoing basis	Rs. 4,188,73/-	-	
2.	Mr. Mukul Harmilapi (Director)	Professional Charges paid	Ongoing basis	Rs. 12,66,660/-	-	

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Bhartiya International SEZ Ltd.

Opinion

We have audited the accompanying financial statements of Bhartiya International SEZ Ltd. ('the Company'), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its Loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

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

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided for managerial remuneration.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for K A S G & CO.
Chartered Accountants
Firm's Registration No. 002228C

R.B. Sharma
Partner
Mem. No. 075701
UDIN: 21075701AAAAAH9348
Gurugram, 15th June, 2021

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, 2021, 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, Goods and Service Tax, Employees State Insurance and Cess 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 31st March, 2021 for a period of more than six months from the date they became payable. We are 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 Excise Duty, Custom Duty 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, Goods and service tax, Income Tax, Wealth 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 Indian 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
UDIN: 21075701AAAAAH9348
Gurugram, 15th June, 2021

ANNEXURE – B TO THE AUDITOR'S 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 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for K A S G & CO.

Chartered Accountants

Firm's Registration No. 002228C

R.B. Sharma

Partner

Mem. No. 075701

UDIN: 21075701AAAAAH9348

Gurugram, 15th June, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	Rs. in Thousand	
		As at 31st March, 2021	As at 31st March, 2020
I Assets			
1 Non – Current Assets			
(a) Property, Plant and Equipment	2	873.58	873.82
(b) Financial Assets			
(i) Loan	3	90.00	90.00
(c) Other Non-Current Assets	4	60.00	120.00
2 Current Assets			
(a) Inventories	5	125,611.59	125,611.59
(b) Financial Assets			
(i) Trade receivables	6	–	1,185.49
(ii) Cash and cash equivalents	7	6,413.85	5,801.54
(c) Current Tax Assets		94.26	313.20
(d) Other Current Assets	8	575.10	373.88
Total Assets		133,718.38	134,369.52
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	9	135,692.30	135,692.30
(b) Other Equity	10	(5,370.29)	(2,647.77)
2 Liabilities			
Non – Current Liabilities			
(a) Provisions	11	2.01	32.03
3 Current Liabilities			
(a) Financial Liabilities			
(i) Trade payables	12		
<i>Total outstanding dues of micro enterprises and small enterprises</i>		–	–
<i>Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		321.89	323.22
(ii) Other financial liabilities	13	1,510.83	931.74
(b) Provisions	14	23.62	38.00
(c) Other Current Liabilities	15	1,538.02	–
Total of Equity and Liabilities		133,718.38	134,369.52

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

Bhoop Singh

Company Secretary

Mem. No. A-29057

Manoj Khattar

Director & CFO

DIN: 00694981

Amrishpal Singh

Managing Director

DIN: 02735647

Gurugram, 15th June, 2021

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Rs. in Thousand			
Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Income			
Revenue from Operations	16	4,188.73	3,749.60
Other Income	17	411.14	358.83
Total Income		<u>4,599.87</u>	<u>4,108.43</u>
Expenses			
Employee Benefits Expense	18	468.78	544.78
Depreciation and Amortisation Expense	19	0.24	1.43
Other Expenses	20	6,867.18	5,027.62
Total Expenses		<u>7,336.20</u>	<u>5,573.83</u>
Profit/ (Loss) before Tax		(2,736.33)	(1,465.40)
Tax expenses			
i Current Tax		(10.91)	-
ii Deferred Tax		-	-
Profit / (Loss) for the year from continuing Operation		<u>(2,725.42)</u>	<u>(1,465.40)</u>
Other Comprehensive Income			
Items that will not be Reclassified to profit or Loss ;			
Remeasurements of the defined benefit plans		2.90	24.06
Total Comprehensive Income for the Year		<u>(2,722.52)</u>	<u>(1,441.34)</u>
Earnings per Equity Share of Face Value			
Basic (in Rupees)		(0.20)	(0.11)
Diluted (in Rupees)		(0.20)	(0.11)
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

For and on behalf of the Board**R.B. Sharma**

Partner

Mem. No. 075701

Gurugram, 15th June, 2021

Bhoop Singh

Company Secretary

Mem. No. A-29057

Manoj Khattar

Director & CFO

DIN: 00694981

Amrishpal Singh

Managing Director

DIN: 02735647

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

		Rs. in Thousand
Particulars	Note No.	Equity Share Capital (Rs)
a) Equity Share Capital	9	
Balance as at 31st March, 2019		135,692.30
Change in equity share capital during the year 2019-20		-
Balance as at 31st March, 2020		135,692.30
Change in equity share capital during the year 2020-21		-
Balance as at 31st March, 2021		135,692.30

Particulars	Note No.	Retained Earnings (Rs)
b) Other Equity	10	
As at 31st March, 2019		(1,206.43)
Profit/(Loss) for the year 2019-20		(1,465.40)
Other comprehensive income for the year		24.06
As at 31st March, 2020		(2,647.77)
Profit/(Loss) for the year 2020-21		(2,725.42)
Other comprehensive income for the year		2.90
As at 31st March, 2021		(5,370.29)

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, 15th June, 2021

Bhoop Singh

Company Secretary

Mem. No. A-29057

Manoj Khattar

Director & CFO

DIN: 00694981

Amrishpal Singh

Managing Director

DIN: 02735647

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

Particular	Rs. in Thousand	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	(2,736.33)	(1,465.40)
Adjustment for :		
Depreciation and amortisation expense	0.24	1.43
Operating profit/(loss) before Working Capital Changes	(2,736.09)	(1,463.97)
Movements in Working Capital:		
Decrease/ (increase) in Trade Receivable	1,185.49	2,608.27
Decrease/ (increase) in Loan	—	(90.00)
Decrease/ (increase) in Other Assets	(141.22)	51.81
Increase/ (decrease) in Trade Payables	(1.33)	83.27
Increase/ (decrease) in Other Current Financial Liabilities	579.09	(672.40)
Increase/ (decrease) in Other Current Liabilities	1,538.02	—
Increase/ (decrease) in Short Term Provisions	(14.38)	9.39
Increase/ (decrease) in Long Term Provisions	(27.12)	14.42
Cash generated / (used in) from operations	382.46	540.79
Income tax paid (Net)	229.85	(110.88)
Net Cash Generated / (used in) from Operating Activities—(A)	612.31	429.91
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)	612.31	429.91
Cash and cash equivalents as at beginning of the year	5,801.54	5,371.63
Cash and cash equivalents as at the end of the year	6,413.85	5,801.54
Components of cash and cash equivalents:		
Cash on hand	75.43	55.25
Balances with banks	6,338.42	5,746.29
Cash and cash equivalents in cash flow statement (refer note 7)	6,413.85	5,801.54

Note: The above statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of cash Flows.

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

For and on behalf of the Board

R.B. Sharma

Partner

Mem. No. 075701

Gurugram, 15th June, 2021

Bhoop Singh

Company Secretary

Mem. No. A-29057

Manoj Khattar

Director & CFO

DIN: 00694981

Amrishpal Singh

Managing Director

DIN: 02735647

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

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 District, Andhra Pradesh.

1.2 BASIS OF PREPARATION

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment

Property, Plant and Equipments are stated at acquisition cost net of accumulated depreciation amortisation, if any . Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost. Subsequent costs for bringing the assets to its working condition for its intended use are included in the asset's carrying amount.

Depreciation is charged on a pro-rata basis at the straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II of companies act ,2013.

b) Inventories

Inventories of land is valued at cost which comprises cost of Land, Materials, Services and Overheads directly related to development of land.

c) Cash & Cash 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.

d) Revenue Recognition

Revenue from Services

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

Interest Income

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

e) Income Tax

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

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

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

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 (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.

f) Provision and Contingent Liabilities

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

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

g) Employee Benefits**Defined Contribution Plan**

Contributions to defined contribution schemes such as employees state insurance is charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Plan as the Company has no further obligations beyond the monthly contributions.

Defined Benefit Plan

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

h) Financial Instruments

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

Financial Assets

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

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

Financial assets are subsequently classified as measured at

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI).

Debt Instruments:

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

(a) Measured at Amortised Cost:

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

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

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

NOTES (CONTD.)**(c) Measured at Fair Value through Profit or Loss:**

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

Equity Instruments:

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

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

Derecognition

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

Financial Liabilities**Initial Recognition and Measurement**

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Trade and Other Payable

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

Derecognition

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

i) Critical Estimates and Judgements –

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

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

The areas involving critical estimates or judgement are:

Estimation of Defined benefit obligation

Useful lives of depreciable assets

Provision and contingent liability

NOTES (CONTD.)**2. PROPERTY, PLANT AND EQUIPMENT****Rs. in Thousand**

Particulars	Buildings	STP	Furniture and Fixtures	Office Equipment	Total
Gross Carrying Amount					
Balance as at April 1, 2019	6,291.55	1,728.67	30.94	3.70	8,054.86
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2020	6,291.55	1,728.67	30.94	3.70	8,054.86
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
Balance as at 31st March, 2021	6,291.55	1,728.67	30.94	3.70	8,054.86
Accumulated Depreciation					
Balance as at 31st March, 2019	5,573.63	1,578.07	25.82	2.09	7,179.61
Addition	-	-	1.43	-	1.43
Disposal	-	-	-	-	-
Balance as at 31st March, 2020	5,573.63	1,578.07	27.25	2.09	7,181.04
Addition	-	-	0.24	-	0.24
Disposal	-	-	-	-	-
Balance as at 31st March, 2021	5,573.63	1,578.07	27.49	2.09	7,181.28
Net Carrying Amount					
Balance as at 31st March, 2020	717.92	150.60	3.69	1.61	873.82
Balance as at 31st March, 2021	717.92	150.60	3.45	1.61	873.58

3. CURRENT LOAN

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Security Deposit & Others	90.00	90.00
TOTAL	<u>90.00</u>	<u>90.00</u>

4. OTHER NON CURRENT ASSETS

(a) Prepaid Expenses	60.00	120.00
TOTAL	<u>60.00</u>	<u>120.00</u>

5. INVENTORIES

(a) Land and Land Development cost	125,611.59	125,611.59
TOTAL	<u>125,611.59</u>	<u>125,611.59</u>

6. TRADE RECEIVABLES

(Unsecured, considered good)

(a) Trade Receivable	-	-
(b) Receivable from related parties	-	1,185.49
TOTAL	<u>-</u>	<u>1,185.49</u>

NOTES (CONTD.)**Rs. in Thousand****7. CASH AND CASH EQUIVALENT**

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Balances with Banks		
In current accounts	839.80	583.58
In deposit accounts	5,498.62	5,162.71
b) Cash on Hand	75.43	55.25
TOTAL	<u>6,413.85</u>	<u>5,801.54</u>

8. OTHER CURRENT ASSETS

a) Prepaid Expenses	60.00	60.00
b) Other Advances	300.00	300.00
c) GST Receivable	215.10	13.88
TOTAL	<u>575.10</u>	<u>373.88</u>

9. SHARE CAPITAL**Authorised Share Capital**

a) 20,000,000 (31st March, 2020: 20,000,000) Equity Shares of Rs 10/- Each	200,000.00	200,000.00
	<u>200,000.00</u>	<u>200,000.00</u>

Issued, Subscribed & Paid up :

a) 13,569,230 (31st March, 2020: 13,569,230) Equity Shares of 10/- Each Fully Paid up	135,692.30	135,692.30
Total	<u>135,692.30</u>	<u>135,692.30</u>

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

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 Amount (Rs.)	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 Amount (Rs.)
Shares outstanding at the beginning of the year	13,569,230	135,692.30	13,569,230	135,692.30
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>13,569,230</u>	<u>135,692.30</u>	<u>13,569,230</u>	<u>135,692.30</u>

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

9.3 The details of Shareholders holding more than 5% shares

Name of the Share holders	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 % of Holding	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 % of Holding
(a) Bhartiya International Ltd.	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

NOTES (CONTD.)**9.4 Shares held by holding company and subsidiaries of holding company in aggregate** **Rs. in Thousand**

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2020 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	12,069,230	12,069,230

10. OTHER EQUITY

Particulars	Retained Earning	Total
Balance as at 31st March, 2019	(1,206.43)	(1,206.43)
Profit/(Loss) for the year	(1,465.40)	(1,465.40)
Other comprehensive income for the year	24.06	24.06
Balance as at 31st March, 2020	(2,647.77)	(2,647.77)
Profit/(Loss) for the year	(2,725.42)	(2,725.42)
Other comprehensive income for the year	2.90	2.90
Balance as at 31st March, 2021	(5,370.29)	(5,370.29)

11. NON CURRENT PROVISIONS

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Provision for Employees Benefit	2.01	32.03
TOTAL	2.01	32.03

12. TRADE PAYABLE

(a) Payable to Micro & Small Enterprises	-	-
(b) Payable to Others	321.89	323.22
TOTAL	321.89	323.22

12.1 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.

13. OTHER CURRENT FINANCIAL LIABILITIES

(a) Due to Employee	37.88	42.49
(b) Expenses Payable	1,446.98	879.65
(c) Statutory Dues Payable	25.97	9.60
TOTAL	1,510.83	931.74

14. PROVISIONS

(a) Provision for Employees Benefits	23.62	38.00
TOTAL	23.62	38.00

15. OTHER CURRENT LIABILITIES

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
(a) Advance from Related Party	1,538.02	-
TOTAL	1,538.02	-

NOTES (CONTD.)

16. REVENUE FROM OPERATIONS		Rs. in Thousand	
Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020	
(a) Service Charges	4,188.73	3,749.60	
TOTAL	<u>4,188.73</u>	<u>3,749.60</u>	
17. OTHER INCOME			
(a) Interest Income on			
- Bank Deposit	391.26	358.83	
- Income Tax Refund	19.88	-	
TOTAL	<u>411.14</u>	<u>358.83</u>	
18. EMPLOYEE BENEFIT EXPENSES			
(a) Salary & Allowances	453.47	520.86	
(b) Contribution to Provident & Other fund	15.31	23.92	
TOTAL	<u>468.78</u>	<u>544.78</u>	
19. DEPRECIATION AND AMORTISATION			
(a) Depreciation on Property Plant and Equipment	0.24	1.43	
TOTAL	<u>0.24</u>	<u>1.43</u>	
20. OTHER EXPENSES			
(a) Legal And Professional Charges	1,465.66	5.50	
(b) Auditors Remuneration	30.00	30.00	
(c) Bank Charges	6.28	7.33	
(d) Rates Taxes & Duties	20.84	21.00	
(e) Travelling	18.43	11.07	
(f) Conveyance Expenses	5.37	17.70	
(g) Fees & Subscription	104.95	90.98	
(h) Security Expenses	4,006.66	3,363.30	
(i) Business promotion	250.14	50.35	
(j) General Expenses	69.18	101.26	
(k) Postage & Courier	0.19	0.18	
(l) Service charges to Authorities	889.43	1,328.84	
(m) Misc. Exp.	0.05	0.11	
TOTAL	<u>6,867.18</u>	<u>5,027.62</u>	

NOTES (CONTD.)**21.1 EARNING PER SHARE****Rs. in Thousand**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
a) Net Profit/(loss) for the year	(2,725.42)	(1,465.40)
b) Weighted Average Shares Outstanding during the year	13,569,230.00	13,569.230.00
c) Basic/Diluted earnings per share	(0.20)	(0.11)

21.2 Auditor's Remuneration

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	30.00	30.00

21.3 In the opinion of the management of the company, profits of the company earned as a SEZ developer qualifies for the deduction under section 80IAB of the Income Tax Act 1961, however the Provisions of Section 115JB(MAT) of the Income Tax Act 1961 applies on the Book Profits of the company. During the year provision under Section 115JB of the Income Tax Act 1961, is not required to be made in view of loss during the year.

21.4 Related Party Disclosures**i) Name of Related Parties & Nature of Relationship**

Bhartiya International Ltd. Holding Company
Mukul Harmilapi Non-Executive Director
(w.e.f. 1st August, 2020)

Particulars	Current Year Rs.	Previous Year Rs.
ii) Transactions during the year with Related Parties:		
Professional Charges Paid		
Mukul Harmilapi (w.e.f. 1st August, 2020)	1266.66	0
Service Charges Received		
Bhartiya International Ltd.	4,188.73	3,749.60
iii) Balances Outstanding at the year end:		
Trade Receivable		
Bhartiya International Ltd.	—	1,185.49
Advances Received		
Bhartiya International Ltd.	1,538.02	-

21.5 Employee Benefits Plans

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

a) Defined Contribution Plans

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Employees State Insurance Corporation	6.38	9.50

b) Defined Benefit Plans

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

NOTES (CONTD.)**Rs. in Thousand**

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

Principal Assumptions	As at 31st March, 2021	As at 31st March, 2020
Discount rate	6.90%	6.65%
Salary increase rate	6.00%	6.00%
In service mortality	IALM (2012–14)	IALM (2012-14)

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

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Current Services Cost	6.83	11.22
Interest Cost	2.10	3.21
Components of defined Benefit costs recognised in Profit or Loss	8.94	14.42
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses on obligation for the year	(2.90)	(24.06)
Net (Income)/Expenses for the year ended recognized in OCI	(2.90)	(24.06)

- iii)
- The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit obligation:**

Particulars	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Present Value of defined benefit obligation	2.01	32.03

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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Opening defined benefit obligation	32.04	41.67
Current Service Cost	6.83	11.22
Interest Cost	2.10	3.21
Actuarial (gains)/ losses	(2.90)	(24.06)
Actual Benefit Paid	(36.06)	-
Closing defined benefit obligation	2.01	32.04

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2021 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	1.79	2.27
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	2.17	1.79
A quantitative sensitivity analysis for significant assumptions as at 31 st March, 2020 is as follows:		
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	29.31	35.08
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	25.08	29.28

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

NOTES (CONTD.)**21.6 Fair Value Measurement:**

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

The following Methods and Assumptions are used to Estimate the Fair Values

Trade receivables, cash and cash equivalents, other bank balances, other current financial assets, current borrowings, trade payables and other current financial liabilities: approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

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

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at 31st March, 2021			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade Receivable	—	—	—	—
Cash & Cash Equivalents	6,413.85	—	—	6,413.85
Financial Liabilities				
At Amortised Cost				
Trade Payables	321.89	—	—	321.89
Other Financial Liabilities	1,510.83	—	—	1,510.83

Particulars	As at 31st March, 2020			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Trade receivable	1,185.49	-	-	1,185.49
Cash & cash equivalents	5,801.54	-	-	5,801.54
Financial Liabilities				
At Amortised Cost				
Trade Payables	323.22	-	-	323.22
Other Financial Liabilities	931.74	-	-	931.74

NOTES (CONTD.)**21.7 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 counterparty will default on its contractual obligations resulting in financial loss to the Company.

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

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Not due		
Less than 6 months	—	1,185
More than 6 months	—	-

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, 2021			
	0-1 year	1-5 year	Beyond 5 year	Total
Trade Payable	—	—	—	—
Other Current Liabilities	1,510.83	—	—	1,510.83

Particulars	As at 31st March, 2020			
	0-1 year	1-5 year	Beyond 5 year	Total
Trade Payable	323.22	-	-	323.22
Other Current Liabilities	0.93	-	-	0.93

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.

- 21.8 The Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of profit and loss as specified in Schedule III to the Act is either 'nil' or 'not applicable' to the Company for the year.

As per our report of even date attached

For K A S G & CO.

Chartered Accountants

Firm Reg. No. 002228C

For and on behalf of the Board

R.B. Sharma

Partner

Mem. No. 075701

Bhoop Singh

Company Secretary

Mem. No. A-29057

Manoj Khattar

Director & CFO

DIN: 00694981

Amrishpal Singh

Managing Director

DIN: 02735647

Gurugram, 15th June, 2021

BOARD'S REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2021 are as follows:

(Rs. In Thousands)

Particulars	2020-21	2019-20
Total Income	895.67	1041.74
Total Expenditure	825.93	583.68
Profit/ (loss) for the year	40.76	458.06

PERFORMANCE REVIEW

During the year under review, the total income was reported at Rs. 895.67 Thousands as against Rs. 1041.74 Thousands in the previous year. The Net Profit after tax was reported at Rs. 40.76 thousands as compared to profit of Rs. 458.06 thousands last year.

DIVIDEND

Yours directors do not recommend any dividend for the financial year ended 31st March, 2021.

RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

SHARE CAPITAL

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

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associate Company.

ANNUAL RETURN

Currently Company does not have any website.

DIRECTORS

Mr. Manoj Khattar, Mr. A. K. Gadhok and Mr. C. L. Handa continue to be the Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. 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 2020-21, Four Board Meetings of the Company were held. The details of the Meetings of the Board held during the financial year 2020-21 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. C. L. Handa	Mr. Ashok Kumar Gadhok
26.06.2020	Present	Present	Present
10.08.2020	Present	Present	Present
10.11.2020	Present	Present	Present
10.02.2021	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 are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties is provided in form AOC-2.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a.) that in the preparation of the annual accounts for the financial year ended 31st March, 2021, 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, 2021 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.

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 12th 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 AND MAINTENANCE OF COST RECORD

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2021-22.

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

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your Company.

SECRETARIAL AUDIT REPORT

The same is not applicable to your Company.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

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

HUMAN RESOURCES

Your company's philosophy has always been based on the progressive and continuous improvement, whether in business or any other function. We have given utmost importance to our human resources and believes in upgrading the skill, knowledge in the respective areas which has helped your company to foster a positive culture and transparency in the system.

Your company firmly believes that people are its most valued asset, and the focus is to retain and sustain a highly qualified and diverse work force.

PARTICULARS OF EMPLOYEES:

During the financial year 2020-21, 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 2020-21 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

There is no Foreign Exchange Earnings and Outgo.

ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES

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

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. Since the Company has only one employee, therefore there is no requirement of formulating Internal Complaint Committee and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

PUBLIC DEPOSIT

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

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2021 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, 12th August, 2021

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.	Designing Charges	Ongoing basis	Rs. 8,85,000/-	-

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Bhartiya Fashion Retail Ltd.**

Opinion

We have audited the accompanying financial statements of **Bhartiya Fashion Retail Ltd.** ('the Company'), which comprise the Balance Sheet as at 31st March, 2021, the Statement of profit and loss (Including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statement and our auditor's report there on. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

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

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

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

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided for managerial remuneration.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.K. PODDAR
Partner
Mem. No. 094479
UDIN: 21094479AAAACJ8799
New Delhi, 28th June, 2021

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, 2021, 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. The company has been 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 Excise Duty, Custom Duty.
 - 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 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 Indian accounting standards.
- 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 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
UDIN: 21094479AAAACJ8799
New Delhi, 28th June, 2021

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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S.K. PODDAR
Partner
Mem. No. 094479
UDIN: 21094479AAAACJ8799
New Delhi, 28th June, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

Rs. in Thousand			
Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I Assets			
1 Non – Current Assets			
(a) Financial Assets			
(i) Loans	2	10.00	10.00
2 Current Assets			
(a) Financial Assets			
(i) Trade Receivables	3	90.00	-
(ii) Cash and Cash Equivalents	4	468.71	261.95
(b) Other Current Assets	5	3.78	3.78
(c) Current Tax Assets (Net)		155.52	405.09
Total Assets		728.01	680.82
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	6	5,000.00	5,000.00
(b) Other Equity	7	(4,400.34)	(4,441.60)
2 Liabilities			
Non – Current Liabilities			
(a) Provisions	8	23.60	11.32
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowing	9	61.81	-
(ii) Other Financial Liabilities	10	24.82	103.00
(b) Provisions	11	18.12	8.10
(c) Current Tax Liabilities (Net)		-	-
Total of Equity and Liabilities		728.01	680.82
Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

New Delhi, 28th June, 2021

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**Rs. in Thousand**

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
INCOME			
Revenue from Operations	12	885.00	1,000.00
Other Income	13	10.67	41.74
Total Income		<u>895.67</u>	<u>1,041.74</u>
EXPENSES			
Employee Benefit Expense	14	792.87	523.64
Other Expenses	15	33.06	60.04
Total Expenses		<u>825.93</u>	<u>583.68</u>
Profit/ (Loss) before Tax		69.74	458.06
Tax Expenses			
i Current Tax		28.98	-
ii Deferred Tax		-	-
Profit / (Loss) for the year		<u>40.76</u>	<u>458.06</u>
Other Comprehensive Income		0.50	-
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods :-			
a) Re-Measurement gain/(losses) on defined benefit plan		0.50	-
Total Comprehensive Income for the Year		<u>41.26</u>	<u>458.06</u>
Earnings per Equity Share of Face Value			
Basic (in Rs.)		0.08	0.92
Diluted (in Rs.)		0.08	0.92

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

New Delhi, 28th June, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

		Rs. in Thousand
Particulars	Note No.	Equity Capital
a) Equity Share Capital	6	
Balance as at 31st March, 2019		5,000.00
Change in Equity Share capital during the year 2019-20		-
Balance as at 31st March, 2020		5,000.00
Change in Equity Share capital during the year 2020-21		-
Balance as at 31st March, 2021		5,000.00

Particulars	Note No.	Retained Earning
b) Other Equity	7	
Balance As at 31st March, 2019		(4,899.66)
Profit/(Loss) for the year 2019-20		458.06
Other comprehensive income for the year		-
Balance as at 31st March, 2020		(4,441.60)
Profit/(Loss) for the year 2020-21		40.76
Other comprehensive income for the year		0.50
Balance as at 31st, March 2021		(4,400.34)

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

For and on behalf of the Board

S. K. Poddar
 Partner
 Mem. No. 094479

Manoj Khattar
 Director
 DIN: 00694981

A.K. Gadhok
 Director
 DIN: 01254410

New Delhi, 28th June, 2021

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

Particular	Rs. in Thousand	
	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before Tax	69.74	458.06
Adjustment for :		
Operating profit/(loss) before Working Capital Changes	69.74	458.06
Movements in working capital:		
Decrease/ (increase) in trade receivable	—	279.76
Decrease/ (increase) in Loans	(90.00)	
Increase/ (decrease) in other current financial liabilities	(41.19)	7.67
Increase/ (decrease) in provisions	29.50	19.42
Cash (used in) / Generated from Operations	(31.95)	764.91
Income tax paid (Net)	(238.71)	(496.21)
Net cash (used in)/ Generated from Operating Activities – (A)	206.76	1,261.12
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Security Deposit	—	(10.00)
Net Cash from/ (used in) Investing Activities – (B)	—	(10.00)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from Short Term Borrowing	—	(1,200.00)
Net cash from/ (used in) financing activities – (C)	—	(1,200.00)
Net increase / (decrease) in cash and cash equivalents – (A+B+C)	206.76	51.12
Cash and cash equivalents as at beginning of the year	261.95	210.83
Cash and Cash Equivalents as at the end of the year	468.71	261.95
Components of Cash and Cash Equivalents:		
Cash on hand	23.42	31.49
Balances with banks	445.29	230.46
Cash and Cash Equivalents in Cash Flow Statement	468.71	261.95

Note: The above Statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of cash Flows.

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board

(Sushil Poddar)

Partner

Mem. No. 094479

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

New Delhi, 28th June, 2021

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2021

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.

1.2 BASIS OF PREPARATION

These Financial Statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) Cash & Cash Equivalents

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

b) Revenue Recognition

Income from service charge is recognised on accrual basis

c) Income Tax

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

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

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

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

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

d) Employee Benefits

Defined Contribution Plan

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

Defined Benefit Plan

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

e) Financial Instruments

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

Financial Assets

These include Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Fixed Deposits with Banks, Other financial assets and Investments.

Financial Assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

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

Financial assets are subsequently classified as measured at

- Amortised Cost
- Fair Value through Profit and Loss (FVTPL)
- Fair Value through Other Comprehensive Income (FVOCI).

Derecognition

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

Financial Liabilities

Initial Recognition and Measurement

These include trade and other payables, loans and borrowings including Bank OD.

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Derecognition

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

NOTES (CONTD.)**2. NON – CURRENT LOAN** **Rs in Thousand**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured, Considered good)		
a) Security Deposit	10.00	10.00
TOTAL	<u>10.00</u>	<u>10.00</u>

3. CURRENT LOAN

(Unsecured, Considered Good)		
(a) Advances with Employees	90.00	-
TOTAL	<u>90.00</u>	<u>-</u>

4. CASH AND CASH EQUIVALENTS

a) Balances with Banks		
- In current Accounts	445.29	230.46
b) Cash on Hand	23.42	31.49
TOTAL	<u>468.71</u>	<u>261.95</u>

5. OTHER CURRENT ASSETS

a) MAT Credit Entitlement	3.78	3.78
TOTAL	<u>3.78</u>	<u>3.78</u>

6. SHARE CAPITAL**Authorised Share Capital :**

a) 500,000 (Previous Year 500,000) Equity Shares of Rs.10/- each	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>

Issued, Subscribed & Paid up :

a) 500,000 (Previous Year 500,000) Equity Shares of Rs.10/- each, Fully Paid Up	5,000.00	5,000.00
TOTAL	<u>5,000.00</u>	<u>5,000.00</u>

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

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 Amount (Rs.)	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 Amount (Rs.)
Shares outstanding at the beginning of the year	500,000	5,000	500,000	5,000
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	500,000	5,000	500,000	5,000

6.2 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.**6.3** The details of Shareholders holding more than 5% shares:

Name of the share holders	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 % of Holding	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 % of Holding
(a) Bhartiya International Ltd.	500,000	100.00	500,000	100.00

NOTES (CONTD.)**Rs in Thousand****6.4 Shares held By Holding Company and Subsidiaries of holding Company in Aggregate:**

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2020 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	500,000	500,000

7. OTHER EQUITY

Particulars	Retained Earning	Total
Balance as at 31st March, 2019	(4,899.66)	(4,899.66)
Profit for the year	458.06	458.06
Other comprehensive income for the year	-	-
Balance as at 31st March, 2020	(4,441.60)	(4,441.60)
Profit for the year	40.76	40.76
Other comprehensive income for the year	0.50	0.50
Balance as at 31st March, 2021	(4,400.34)	(4,400.34)

8. NON-CURRENT PROVISION

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Provision for Employee Benefit	23.60	11.32
TOTAL	<u>23.60</u>	<u>11.32</u>

9. OTHER CURRENT FINANCIAL LIABILITIES

(a) Expenses Payable	10.00	10.00
(b) Statutory Dues Payable	-	27.00
(c) Due to Employee	51.81	66.00
TOTAL	<u>61.81</u>	<u>103.00</u>

10. CURRENT PROVISION

(a) Provision for Employee Benefit	24.82	8.10
TOTAL	<u>24.82</u>	<u>8.10</u>

11. REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
a) Designing charges	885.00	1,000.00
TOTAL	<u>885.00</u>	<u>1,000.00</u>

12. OTHER INCOME

a) Interest Income	10.67	41.74
TOTAL	<u>10.67</u>	<u>41.74</u>

NOTES (CONTD.)**13. EMPLOYEE BENEFIT EXPENSES****Rs in Thousand**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
(a) Salary & Allowances	780.05	512.32
(b) Gratuity Expenses	12.82	11.32
TOTAL	<u>792.87</u>	<u>523.64</u>

14. OTHER EXPENSES

(a) Audit fees	10.00	10.00
(b) Bank Charges	1.67	0.29
(c) Legal & Professional	13.00	11.50
(d) Rates Taxes & Duties	2.00	21.70
(e) Fee & Subscription	5.90	7.87
(f) Conveyance Expenses	0.38	3.15
(g) Miscellaneous Expense	0.11	5.53
TOTAL	<u>33.06</u>	<u>60.04</u>

15. OTHER EXPENSES**I) Current Tax**

(a) Current Tax on taxable income for the year	18.13	—
(b) Earlier Year Tax	10.85	-

II) Deferred Tax

(a) Relating to origination and reversal of temporary differences	-	-
	28.98	-
Effective Income Tax Rate%	<u>41.55</u>	<u>0.00</u>

15.1 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	69.74	458.06
Statutory Income Tax Rate	26.00%	26.00%
Computed tax expenses	18.13	119.10
Tax in respect of earlier years	10.85	-
Due to change in tax rate	—	-
Permanant tax difference	—	(119.10)
Income Tax Charge to Statement of Profit and Loss Account	<u>28.98</u>	<u>(-)</u>

15.2 Earning Per Share (EPS)

a) Net Profit/(loss) for the year	40.76	458.06
b) Weighted average number of Equity Shares outstanding during the year	500,000	500,000
c) Basic/Diluted Earning per share Rs.(a/b)	0.08	0.92

NOTES (CONTD.)**15.3 Auditor's Remuneration****Rs in Thousand**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Audit Fees	10.00	10.00

15.4 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

Particulars	2019-20	2018-19
1 Designing Charges Received		
Bhartiya International Ltd	885.00	1,000.00

15.5 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, 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, 2021			
	Level of input used in			
	Carrying amount	Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Cash & cash equivalents	468.71	—	—	468.71
Loans	100.00	—	—	100.00
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	61.81	—	—	61.81

NOTES (CONTD.)

Particulars	Rs in Thousand			
	As at 31st March, 2020			
	Level of input used in			
	Carrying amount	Level 1	Level 2	Level 3
Financial Assets				
At Amortised Cost				
Cash & cash equivalents	10.00	-	-	10.00
Loans	261.95	-	-	261.95
Financial Liabilities				
At Amortised Cost				
Other Financial Liabilities	103.00	-	-	103.00

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board**S. K. Poddar**

Partner

Mem. No. 094479

Manoj Khattar

Director

DIN: 00694981

A.K. Gadhok

Director

DIN: 01254410

New Delhi, 28th June, 2021

BOARD'S REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31st March, 2021.

FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31st March, 2021 are as follows:

Rs. in Thousands

Particulars	2020-21	2019-20
Income	50.30	50.00
Expenditure	40.60	51.27
Profit/ (loss) for the year	7.18	(1.82)

PERFORMANCE REVIEW

During the year under review, the Company earned revenues of Rs. 50.30 Thousands. The net Profit after tax is Rs.7.18 Thousand during the year under review.

DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31st March, 2021.

RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

SHARE CAPITAL

There are no changes in the capital structure of the Company during the period under review.

PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any Subsidiary or Associate Company.

ANNUAL RETURN

Currently Company does not have any website.

DIRECTORS

The Board of Directors comprises of Mr. Manoj Khattar, Mr. Sandeep Seth and Mr. Ashok Kumar Gadhok as Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sandeep Seth (DIN: 01408624), Director, retires by rotation at the sixth Annual General Meeting and being eligible offers himself for re-appointment.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2020-21, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2020-21 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. Sandeep Seth	Mr. A. K. Gadhok
26.06.2020	Present	Present	Present
10.08.2020	Present	Present	Present
10.11.2020	Present	Present	Present
10.02.2021	Present	Present	Present

STATUTORY AUDITORS

M/s. Sushil Poddar & Co., Chartered Accountants (Firm Registration No. 014969N) had been appointed as the Statutory Auditors of the Company to hold office from 1st Annual General Meeting upto 6th Annual General Meeting.

The Board has proposed to re-appoint M/s. Sushil Poddar & Co., Chartered Accountants (Registration No. 014969N) as the Statutory Auditors of the Company to hold office from 6th Annual General Meeting upto 11th Annual General Meeting. Your Directors have recommended their re-appointment at the ensuing Annual General Meeting.

AUDITORS REPORT

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

CORPORATE SOCIAL RESPONSIBILITY

The same is not applicable to your company.

SECRETARIAL AUDIT

The same is not applicable to your company.

COST AUDIT

As per the Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable for the Company for the financial year 2021-22.

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

PARTICULAR OF EMPLOYEES

There were no employees on the payroll of the Company during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

RELATED PARTY TRANSACTIONS

There were no related party transactions for the financial year 2020-21.

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, 2021, 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, 2021 and of the losses of the company for the year ended on that date;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the annual accounts have been prepared on a going concern basis; and
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOa) **Conservation of Energy**

The same is not applicable to your Company

b) **Technology absorption**

The same is not applicable to your Company

c) **Foreign Exchange Earnings & Outgo**

The same is not applicable to your Company

PUBLIC DEPOSIT

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

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

RISK MANAGEMENT

The Company has adequate risk management process to identify and notify the board of directors about the risk or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the gains. The process and procedures are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the Board of Directors.

ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES

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

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. Since the Company has no employee, therefore there is no requirement of formulating Internal Complaint Committee and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes occurred in between the financial year ended on 31st March, 2021 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, 12th August, 2021

A. K. Gadhok
Director
DIN. 01254410

Manoj Khattar
Director
DIN. 00694981

INDEPENDENT AUDITOR'S REPORT

To the Members of

Bhartiya Urban Infrastructure Ltd

Opinion

We have audited the accompanying financial statements of M/s **Bhartiya Urban Infrastructure Ltd** ('the Company'), which comprise the Balance Sheet as at 31st March, 2021, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its Profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the financial statement and our auditor's report there on. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Financial Statements

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

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.

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

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

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

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/provided for managerial remuneration.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position.

- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.K. PODDAR
Partner
Mem. No. 094479
UDIN: 21094479AAAACL7715
New Delhi, 28th June, 2021

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, 2021, 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. The company has been 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 GST, Excise Duty, Custom Duty.
 - 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 us 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
UDIN: 21094479AAAACL7715
New Delhi, 28th June, 2021

ANNEXURE – B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Bhartiya Urban Infrastructure Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for SUSHIL PODDAR & CO.

Chartered Accountants

Firm's Registration No. 014969N

S.K. PODDAR

Partner

Mem. No. 094479

UDIN: 21094479AAAACL7715

New Delhi, 28th June, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

		Rs. in Thousand	
Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I Assets			
1 Non – Current Assets			
(a) Financial Assets			
(i) Loans	2	10.00	10.00
2 Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	3	291.98	282.05
(b) Current Tax Assets		1.23	5.00
Total Assets		303.21	297.05
II Equity And Liabilities			
1 Equity			
(a) Equity Share Capital	4	500.00	500.00
(b) Other Equity	5	(201.79)	(208.97)
2 Liabilities			
Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	6	5.00	6.02
Total of Equity and Liabilities		303.21	297.05

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements

Rs. in Thousand

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Income			
Revenue from Operations	7	50.00	50.00
Other Income	8	0.30	-
Total Income		50.30	50.00
EXPENSES			
Other Expenses	9	40.60	51.27
Total Expenses		40.60	51.27
Profit/ (Loss) before Tax		9.70	(1.27)
Tax Expenses			
i Current Tax	10	2.52	0.55
ii Deferred Tax		-	-
Profit / (Loss) for the year		7.18	(1.82)
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		7.18	(1.82)
Earnings per Equity Share of Rs. 10/- each			
Basic/Diluted (in Rupees)		0.14	(0.04)
Significant Accounting Policies	1		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board

S. K. Poddar

Partner

Mem.No. 094479

New Delhi, 28th June, 2021

A.K. Gadhok

Director

DIN: 01254410

Manoj Khattar

Director

DIN:00694981

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Equity Capital Amount (Rs.)
a) Equity Share Capital	4	
Balance as at 31st March, 2019		500.00
Change in equity share capital during the year 2019-20		–
Balance as at 31st March, 2020		500.00
Change in equity share capital during the year 2020-21		–
Balance as at 31st March, 2021		500.00
Particulars		Retained Earning Amount (Rs.)
b) Other Equity	5	
As at 31st March, 2019		(207.15)
Profit/(Loss) for the year 2019-20		(1.82)
As at 31st March, 2020		(208.97)
Profit/(Loss) for the year 2020-21		7.18
Balance as at March, 2021		(201.79)

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and exception items	9.70	(1.27)
Adjusted for:	–	–
Operating profit before working capital changes	9.70	(1.27)
Movements in working capital:		
Increase/ (decrease) in other liabilities	(1.02)	–
Cash Generated from Operations	8.68	(1.27)
Income tax paid (Net)	1.25	(7.10)
Net cash (used in)/ Generated from Operating Activities – (A)	9.93	(8.37)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Security Deposit	–	(10.00)
Net cash from/ (used in) Investing Activities – (B)	–	(10.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net cash from/ (used in) financing activities – (C)	–	–
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	9.93	(18.37)
Cash and Cash Equivalents – Opening Balance	282.05	300.42
Cash and Cash Equivalents – Closing Balance	291.98	282.05

Note: The above statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of Cash Flows.

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

For and on behalf of the Board

S. K. Poddar

Partner

Mem.No. 094479

New Delhi, 28th June, 2021

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, 2021

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. The Company has its registered office at Chennai and corporate office at Gurugram, Haryana. The Company is in the business of Infrastructure Development.

1.2 BASIS OF PREPARATION

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle (12 months) and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

1.3 SIGNIFICANT ACCOUNTING POLICIES

a) Revenue from Services

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

b) Income Tax

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

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

NOTES (CONTD.)**2. NON – CURRENT LOAN** **Rs. in Thousand**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(Unsecured & Considered Good)		
i) Security and Other Deposit	10.00	10.00
TOTAL	10.00	10.00

3. CASH AND CASH EQUIVALENT

i) Balances with Banks		
In Current Accounts	274.98	250.05
ii) Cash on Hand	17.00	32.00
TOTAL	291.98	282.05

4. SHARE CAPITAL**Authorised Share Capital**

a) 500,000 (31st March 2020: 500,000) Equity Shares of Rs.10/- each	5,000.00	5,000.00
	5,000.00	5,000.00

Issued, Subscribed & Paid up :

a) 50,000 (31st March 2020: 50,000) Equity Shares of Rs.10/- each, Fully Paid Up	500.00	500.00
	500.00	500.00

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

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 Amount (Rs)	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 Amount (Rs)
Shares outstanding at the beginning of the year	50,000	500.00	50,000	500.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500.00	50,000	500.00

4.2 The Company has only one class of equity shares having a par value of Rs. 10/- per equity share. Each holder of equity shares is entitled to one vote per shares. In the event of liquidation of the Company, the holder of equity share will be entitled to receive assets of the Company in proportion to the number of equity shares held by the shareholders.**4.3** The details of Shareholders holding more than 5% shares:

Name of the share holders	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 % of Holding	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 % of Holding
(a) Bhartiya International Ltd.	50,000	100.00	50,000	100.00

4.4 Shares held By holding company and subsidiaries of holding company in aggregate:

Particulars	As at 31st March, 2021 No. of Shares	As at 31st March, 2020 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	50,000	50,000

NOTES (CONTD.)**5. Other Equity** **Rs. in Thousand**

Particulars	Retained Earning	Total
Balance as at 31st March, 2019	(207.15)	(207.15)
Profit/(Loss) for the year	(1.82)	(1.82)
Other comprehensive income for the year	—	—
Balance as at 31st March, 2020	(208.97)	(208.97)
Profit/(Loss) for the year	7.18	7.18
Other comprehensive income for the year	—	—
Balance as at 31st March, 2021	(201.79)	(201.79)

6. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Expenses Payable	5.00	6.02
TOTAL	<u>5.00</u>	<u>6.02</u>

7. REVENUE FROM OPERATIONS

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
(a) Consultancy Charges	50.00	50.00
TOTAL	<u>50.00</u>	<u>50.00</u>

8. OTHER INCOME

(a) Interest on Income Tax Refund	0.30	-
TOTAL	<u>0.30</u>	<u>-</u>

9. OTHER EXPENSES

(a) Audit fees	5.00	5.00
(b) Professional Charges	26.80	16.52
(c) Rates & Taxes	8.80	28.87
(d) Conveyance Expenses	—	0.88
TOTAL	<u>40.60</u>	<u>51.27</u>

NOTES (CONTD.)**10. TAX EXPENSES**

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
I) Current Tax		
(a) Current Tax on taxable income for the year	2.52	-
(b) Earlier year Tax	-	0.55
TOTAL	<u>2.52</u>	<u>0.55</u>

11. Earning per share computed in accordance with the IND AS –33 is as under: Rs. in Thousand

a) Net Profit/(loss) after tax available for equity shareholders	7.18	(1.82)
b) Weighted average number of Equity Shares of Rs. 10/- each	50,000	50,000
c) Basic/Diluted Earning per share Rs.(a/b)	0.14	(0.04)

11.1 Auditor's Remuneration

Audit Fees	5.00	5.00
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11.2 Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of profit and loss as specified in Schedule III to the Act is either 'nil' or 'not applicable' to the Company for the year.

11.3 Debit and credit balances are subject to their confirmation.

11.4 Financial Risk Management**Credit Risk**

Company has fully invested in Bank thus Company does not foresee any credit risk.

Liquidity Risk

Company has no borrowings thus Company does not foresee any liquidity risk.

Market Risk

Company has no foreign currency exposure and does not have hedge position in currency market, thus Company does not foresee any market risk.

As per our report of even date attached

SUSHIL PODDAR & CO.

Firm Registration No. 014969N

Chartered Accountants

S. K. Poddar

Partner

Mem.No. 094479

New Delhi, 28th June, 2021

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, 2021.

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, 2021 are set out in the statement of comprehensive income. The statement of financial position of the Company as at 31st March, 2021 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. Liu Qiongli

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 (2020: 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, 20th May, 2021

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, 2021, 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, 2021, 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 HKSA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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, 20th May, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note	31/3/2021	31/3/2020
		HK\$	HK\$
<u>ASSETS</u>			
Current Assets			
Cash & Bank balances	11	230,445	235,080
Accounts receivable		1,803,000	2,100,204
Due from Holding Compay	10	–	66,063
Other Current Assets		–	42,937
		<u>2,033,445</u>	<u>2,444,284</u>
Total		<u>2,033,445</u>	<u>2,444,284</u>
Current Liabilities			
Accounts Payable		–	219,528
Accrued Expenses		59,553	142,666
Amount Due to Subsidiary	13	1,846,557	3,066,600
		<u>1,906,110</u>	<u>3,428,794</u>
CAPITAL AND RESERVES			
Issued Capital		5,480,570	5,480,570
Reserves & Surplus		(5,353,235)	(6,465,080)
		<u>127,335</u>	<u>(984,510)</u>
Total		<u>2,033,445</u>	<u>2,444,284</u>

For and on behalf of the Board**Liu Qiongli**

Director

STATEMENT OF PROFIT / LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note	31/3/2021	31/3/2020
		HK\$	HK\$
Revenue	4	–	2,343,545
Cost of Sales		–	(2,098,000)
Gross profit		–	245,545
Other Income	5	1,268,126	3,129,463
Operating Expenses		(172,670)	(3,270,881)
Finance Cost	6	(6,395)	(48,723)
Exchange Gain/(Loss)		22,784	4,685
Profit before Tax Expense	7	1,111,845	60,089
Tax Expense	9	–	-
Profit for the year		1,111,845	60,089
Retained (Loss) brought forward		(6,465,080)	(6,525,169)
Retained (Loss) carried forward		(5,353,235)	(6,465,080)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Issued Capital HK\$	Retained Profits HK\$	Total HK\$
As at 1st April, 2019	5,480,570	(6,525,169)	(1,044,599)
Profit for the year ended 31st March, 2020	-	60,089	60,089
As at 1st April, 2020	5,480,570	(6,465,080)	(984,510)
Profit for the year ended 31st March, 2021	-	1,111,845	1,111,845
As at 31st March, 2021	5,480,570	(5,353,235)	127,335

For and on behalf of the Board

Liu Qiongli
Director

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

Particulars	Note	31/3/2021	31/3/2020
		HK\$	HK\$
Operating Activities			
Cash Flows from Operating Activities			
Profit after Tax		1,111,845	60,089
Adjustment for:			
Interest Expenses and bank charges		6,395	48,723
Depreciation		—	—
Operating Profit/(Loss)		1,118,240	108,812
(Increase)/decrease in accounts receivables		297,204	(4,308)
(Increase)/decrease in other current assets		42,937	1,263,473
Increase/(decrease) in accounts payables		(219,528)	(291,655)
Increase/(decrease) in amount due from Holding Company		66,063	—
Increase/(decrease) in amount due to Related Companies		(1,220,043)	1,536,600
Decrease in accrued expenses and other Current Liabilities		(83,113)	(18,954)
Net Cash from/(used in) Operating Activities		1,760	2,593,968
Tax paid		—	—
Net Csh Inflow from/(used in) Operating Activities		1,760	2,593,968
Financing Activities			
Interest expenses and Bank Charges		(6,395)	(48,723)
Increase (Decrease) Bank Overdraft		—	(2,497,939)
Net Cash (used in)/from Financing Activities		(6,395)	(2,546,662)
Net increase in cash and cash equivalents		(4,635)	47,306
Cash & cash equivalents at beginning of financial year		235,080	187,774
Cash & Cash Equivalents at end of Financial Year	11	230,445	235,080

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, 2021

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 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. 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	31/03/2021	31/03/2020
	HK\$	HK\$
4. REVENUE		
An analysis of the Company's Revenue is as follows:		
Turnover	—	<u>2,343,545</u>
5. OTHER INCOME		
Purchase Returns	176,126	100,963
Commission Income	624,000	—
Service Charges	468,000	2,886,000
Other Income	—	1,42,500
	<u>1,268,126</u>	<u>3,129,463</u>
6. FINANCE COST		
Bank Interest	8	42,930
Bank Charges	6,387	5,793
	<u>6,395</u>	<u>48,723</u>
7. PROFIT BEFORE TAXATION		
This is stated after charging:		
		—
Auditor's Remuneration	20,000	40,000
Foreign Exchange Loss/(Gain)	(22,784)	(4,685)
8. Director's Remuneration		
The Directors received no remuneration for their services to the Company during the year (2020: 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	9,130	7,730
Cash at Bank	221,315	227,350
Cash and Cash equivalents	<u>230,445</u>	<u>235,080</u>

NOTES (CONTD.)

Particulars	31/03/2021	31/03/2020
	HK\$	HK\$

12. Related Party Transactions

During the year, the Company had the following transactions with related parties:

Immediate Holding Company

Bhartiya International Ltd.

Commission Received

- -

Purchases

- -

Other Intra Groups**Purchases**

Ultima S.A ,Switzerland

- 2,022,559

Service Charges Received

Ultima S.A ,Switzerland

- 1,170,000

Design Industry Ltd.

624,000 1,716,000

624,000 **3,294,000**

Commission Received

Ultima S.A., Switzerland

- -

Design Industry Ltd

468,000 -

468,000 -

13. Balances with Related Parties (Loans, Payables and Receivables)

Name of the Related Party	Balance (payable)/ receivable	Balance (payable)/ receivable	Relationship
	<u>2021</u> HK\$	<u>2020</u> HK\$	
Bhartiya International Ltd.	-	66,063	Holding Company
Ultima S.A., Switzerland	(1,803,000)	(1,764,000)	Fellow subsidiary
Bhartiya Global Marketing Ltd., India	-	-	Fellow subsidiary
Design Industry Ltd., Hong Kong	(43,557)	(975,000)	Fellow subsidiary
Design Industry Ltd., China	-	(327,000)	Fellow subsidiary
Ultima Italia SRL, Italy	-	-	Fellow subsidiary

14. Holding Company

As at 31st March, 2021, the Company's ultimate holding company is Bhartiya International Ltd, a public ltd. 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 20th May, 2021

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, 2021

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, 2021 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, 2021.

DIRECTORS

Mr. Walter Willi Zwahlen held the office of directorship during the year.

Director

21st June, 2021

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, 2020 to 31st March, 2021.

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 Christian Erard
Auditor in Charge

Neuchatel, 21st June, 2021

BALANCE SHEET AS AT 31st MARCH, 2021

Particulars	31.03.2021 CHF	31.03.2020 CHF
ASSETS		
Short Term Assets		
Banks Accounts	737,358.70	1,016,127.23
Debtors	5,086,974.27	4,517,840.67
Advances to Creditors	331,800.00	300,122.14
Debtors Subsidiaries Companies	405,320.53	725,744.80
Transitional and Other Debtors	6,408.72	4,080.97
Total Short Term Assets	6,567,862.22	6,563,915.81
Fixed Assets		
Tangibles Assets		
Furniture and computer	500.00	500.00
Financial Assets		
Rent Guaranty	6,090.00	10,200.70
Loans to Subsidiaries Companies	1,034,460.46	990,345.41
Investments	2,480,930.00	2,480,930.00
Brands	9,110,078.40	7,101,809.47
Total Fixed Assets	12,631,558.86	10,583,285.58
Total Fixed Assets	12,632,058.86	10,583,785.58
TOTAL ASSETS	19,199,921.08	17,147,701.39
LIABILITIES AND EQUITY		
Liabilities		
Term loan from bank	4,422,499.20	3,755,222.40
Current Liabilities		
Creditors	5,352,747.62	4,525,199.06
Creditors Subsidiaries Companies	697,101.38	561,413.17
C/a Bhartiya International Ltd.	652,693.09	459,709.06
Transitional and other liabilities	57,425.41	87,125.76
Total Current Liabilities	6,759,967.50	5,633,447.05
Total Liabilities	11,182,466.70	9,388,669.45
Equity		
Share Capital	1,000,000.00	1,000,000.00
General Reserve	278,000.00	278,000.00
Retained earnings	6,481,031.94	5,996,667.46
Net Income of the year	258,422.44	484,364.48
Total Equity	8,017,454.38	7,759,031.94
TOTAL LIABILITIES AND EQUITY	19,199,921.08	17,147,701.39

INCOME STATEMENT 2020/2021

Particulars	31.03.2021 CHF	31.03.2020 CHF
Revenues		
Sales to Foreign Customers	13,696,996.79	21,927,151.57
Total Revenues	13,696,996.79	<u>21,927,151.57</u>
Merchandises Costs		
Costs of Goods	12,552,298.08	19,910,793.49
Variation of Stock	–	13,646.30
Total Merchandises Costs	12,552,298.08	<u>19,924,439.79</u>
Other Expenses		
Personal Costs	82,118.53	135,037.51
Design and Consultancy	136,509.50	816,848.48
Administration, Rent and Directors	114,959.36	197,934.57
Audit and Lawyers	17,045.78	16,916.43
Marketing, Travel Expenses	20,267.81	63,354.73
Total Other Expenses	370,900.98	<u>1,230,091.72</u>
Result before Interests, Taxes Provisions and Depreciation	773,797.73	772,620.06
Financial Incomes and Charges		
Interests and Bank Fees (Nets)	230,011.59	142,681.00
Exchange Rate Difference	184,035.90	(13,955.47)
Total Financial Incomes and Charges	414,047.49	<u>128,725.53</u>
Provisions and Depreciation		
Depreciation	58,007.00	1,000.00
Extraordinary Items (net) (Charges/Gains Previous Financial Year)	–	95,017.55
Result Before Taxes	301,743.24	547,876.98
Taxes		
Federal Taxes	25,000.00	13,812.50
Canton and Commune Taxes	18,320.80	49,700.00
Total Taxes	43,320.80	<u>63,512.50</u>
Net Income of the year	258,422.44	<u>484,364.48</u>

PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

Particulars	31.03.2021 CHF	31.03.2020 CHF
Profit Available to the Annual General Meeting		
Retained earnings at the beginning of the year	6,481,031.94	5,996,667.46
	6,481,031.94	5,996,667.46
Net Income of the year	258,422.44	484,364.48
	6,739,454.38	6,481,031.94
Proposal of Board of Directors		
Attribution to General Reserve	—	-
Carried forward	6,739,454.38	6,481,031.94
	6,739,454.38	6,481,031.94

NOTES TO THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2021

Particulars	31.03.2021 CHF	31.03.2020 CHF
Information 1 :		
Essential Investments		
Ultima Italia S.r.l	2,438,000.00	2,438,000.00
(Share Capital EUR 2'000'000.-)	Interest of	100.00%
Design Industry Ltd	11,900.00	11,900.00
(Share Capital HKD 100'000.-)	Interest of	100.00%
Design Industry China Ltd	31,030.00	31,030.00
(Share Capital CNY 203,686.40)	Interest of	100.00%

Information 2 :

The Board of Director has decided to amortize the brand as per the rate calculated on the basis of useable life of the Assets.

No other mention required by art. 663b CO

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 Indian accountability standards and generally accepted accountability principles.

OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as 31st March, 2021 and of the results of its operation for the period on the date.

Dr. Enrico Cantoni

3rd June, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

(Expressed in Euro)

Particulars	Aa at 31 ST March, 2021	As at 31 ST March, 2020
ASSETS		
Fixed Assets, Net of Depreciation	1,105,334	1,119,882
CURRENT ASSETS		
Inventories	128,567	135,946
Accounts Receivables	2,298,315	2,872,621
Deposits	31,847	1,847
Cash at Bank	21,414	14,900
TOTAL ASSETS	<u>3,585,476</u>	<u>4,145,195</u>
LIABILITIES		
Share Capital	2,000,000	2,000,000
Loan from holding Company	750,377	750,377
Profit/ (-Loss) for the previous years	202,755	196,839
Profit/ (-Loss) for the period	(269,608)	5,916
Bank overdraft/Limit	325	89,137
Loan from banks	501,345	482,969
CURRENT LIABILITIES		
Accounts payable and accrued Exp.	213,935	380,104
Other Creditors	186,347	239,853
TOTAL LIABILITIES	<u>3,585.476</u>	<u>4,145,195</u>

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2021

(Expressed in Euro)

Particulars	2020 – 2021	2019 – 2020
INCOME		
Sales	1,058,322	2,351,169
TOTAL INCOME	<u>1,058,322</u>	<u>2,351,169</u>
COSTS AND EXPENSES		
Costs of Goods Sold	23,614	446,274
Selling, General and Administrative	1,297,456	1,773,548
Depreciation	55,664	52,431
Financial Charges	35,432	44,520
TOTAL COSTS	<u>1,412,166</u>	<u>2,316,773</u>
Profit/ (-Loss) before Taxes	(353,846)	34,396
Deferred Taxes	84,238	-
Taxes	–	(28,480)
Taxes previous years		
Profit/ (–Loss) for the period	(269,608)	5,916

DIRECTORS' REPORT

The Director hereby presents his report together with the audited financial statements of the Company for the year ended 31st March, 2021.

Principal Activity

The principal activity of the Company is engaged in the export and import of garments, bags and related products. The company is also rendering consultancy services.

Financial Statements

The results for the year ended 31st March, 2021 are set out in the statement of comprehensive income. The statement of financial position of the Company as at 31st March, 2021 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 (2020: 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

Hong Kong, 20th May, 2021

Chairman

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, 2021, 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, 2021, 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 mis-statement, 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 HKSA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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, 20th May, 2021

STATEMENT OF BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	NOTE	31.03.2021 HK\$	31.03.2020 HK\$
ASSETS			
CURRENT ASSETS			
Cash and Bank Balances	10	5,189,149	3,332,398
Accounts Receivable		29,205,782	14,082,852
Due from Fellow Subsidiaries		—	975,000
		<u>34,394,931</u>	<u>18,390,250</u>
CURRENT LIABILITIES			
Accounts Payable		23,814,712	13,317,946
Accrued Expenses		97,783	80,557
Due to Holding/Ultimate Holding Company	12	2,216,580	2,216,580
Due to Fellow Subsidiaries		3,130,861	—
		<u>29,259,936</u>	<u>15,615,083</u>
NET CURRENT ASSETS		<u>5,134,995</u>	<u>2,775,167</u>
NET ASSETS		<u>5,134,995</u>	<u>2,775,167</u>
EQUITY			
Share Capital		100,000	100,000
Retained Profits		5,034,995	2,675,167
		<u>5,134,995</u>	<u>2,775,167</u>

PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	NOTE	31.03.2021 HK\$	31.03.2020 HK\$
Revenue	4	67,844,815	77,688,933
Cost of Sales		(54,884,491)	(71,482,450)
Gross Profit		<u>12,960,324</u>	<u>6,206,483</u>
Other Revenue	5	523,516	282,287
Operating Expenses		(10,997,363)	(5,058,463)
Finance Cost		(126,649)	(471,122)
Profit before Taxation	6	<u>2,359,828</u>	<u>959,185</u>
Tax Expense	8	—	—
Profit (Loss) after Taxation		<u>2,359,828</u>	<u>959,185</u>
Retained Profits brought forward		<u>2,675,167</u>	<u>1,715,982</u>
Retained Profits Carried forward		<u>5,034,995</u>	<u>2,675,167</u>

The accompanying Accounting policies and Explanatory notes form an integral part of and should be read in conjunction with these financial statements

Approved by the Sole Director on 20th May, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Issued Capital HK\$	Retained Profits HK\$	Total HK\$
As at 1st April, 2019	100,000	1,715,982	1,815,982
Profit for the year ended 31st March 2020	-	959,185	959,185
As at 31st March, 2020	100,000	2,675,167	2,775,167
Profit for the year ended 31st March 2021	-	2,359,828	2,359,828
As at 31 March, 2021	100,000	5,034,995	5,134,995

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

Particulars	Note	31.03.2021 HK\$	31.03.2020 HK\$
Operating activities			
Cash flows from Operating Activities			
Profit after Tax		2,359,828	959,185
Adjustment for:			
Finance Cost		126,649	471,122
Interest Income		(25)	(9,738)
Operating profit/(loss) before reinvestment of Capital		2,486,452	1,420,569
(Increase)/decrease in accounts receivables		(15,122,930)	(7,145,654)
Increase/(decrease) in dues to Holding/ Fellow Subsidiary		4,105,861	546,000
Increase/(decrease) in Accounts Payables and Accrued Charges		10,513,992	7,416,817
Net cash from / (used in) operating activities		1,983,375	2,237,732
Tax paid		-	-
Net Cash inflow from/(used in) Operating Activities		1,983,375	2,237,732
Investing Activities			
Interest Income		25	9,738
		25	9,738
Financing Activities			
Finance Cost		(126,649)	(471,122)
Net Cash (used in)/from Financing Activities		(126,649)	(471,122)
Net increase/(decrease) in cash and cash equivalents		1,856,751	1,776,348
Cash & cash equivalents at beginning of financial year		3,332,398	1,556,050
Cash & Cash Equivalents at end of Financial Year		5,189,149	3,332,398

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, 2021

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 Room 1104, Crawford House, 70 Queen's Road Central, Central, 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 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:

Particulars	31.03.2021 HK\$	31.03.2020 HK\$
Turnover	67,844,815	77,688,933

5. Other Income

Discount Received	131,207	20,394
Claim Received	374,300	252,155
Sundry Income	916	-
Exchange Difference	17,068	-
Interest	25	9,738

6. Profit Before Taxation

This is stated after charging:

Auditor's remuneration	20,000	18,000
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7. Director's Remuneration

The Directors received HK\$195,00 remuneration for their services to the Company during the year (2020: HK\$19,500). 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.

NOTES (CONTD.)**9. Loans from Holding/ Fellow Subsidiary**

The amounts due to/from the Holding Company and fellow subsidiaries are unsecured.

10. Cash and Cash Equivalents

Cash and cash equivalents included in the statement of financial position comprise the following amounts:

Particulars	2021 HK\$	2020 HK\$
Cash	1	1
Bank Balances	5,189,148	3,332,397
Cash and Cash Equivalents	5,189,148	3,332,398

11. Related Party Transactions

During the year, the Company had the following transactions with related parties:

Particulars	Purchases	
	2021 HK\$	2020 HK\$
Immediate Holding Company		
Ultima SA	15,215,782	53,349,344
Ultimate Holding Company		
Bhartiya International Ltd.	674,474	507,825
Immediate Holding Company	Service Charges/ Marketing Fee Paid	
Ultima SA	—	—
Fellow Subsidiary		
World Fashion Trade Ltd.		
- Service Charges	624,000	1,170,000
- Commission	468,000	—
Ultima SRL Italia	3,174,418	—

12. Balances with Related Parties (Loans, Payables and Receivables)

Name of the Related Party	Balance (payable)/ receivable	Balance (payable)/ receivable	Relationship
	2021 HK\$	2020 HK\$	
Ultima SA.	(2,216,580)	(2,216,580)	Holding Company
Ultima SA. (AP)	(1,976,040)	(4,737,708)	Holding Company
Bhartiya International Ltd. (AP)	(867,063)	(192,589)	Ultimate Holding Company
Ultima Italia Srl	(3,174,418)	-	Fellow Subsidiary Company
World Fashion Trade Ltd.	43,557	975,000	Fellow Subsidiary Company

NOTES (CONTD.)**13. Holding Company**

As at 31st March, 2021, 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 monitors 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 Sole Director on 20th May, 2021.

INDEPENDENT AUDITOR'S REPORT

**To,
The shareholders of
Design Industry China Ltd.**

I. Opinion

We have audited the financial statements of Design Industry China Ltd. , which comprise the statement of financial position as at 31 March, 2021 and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flows statement for the during 1 April, 2020 to 31 March, 2021, and the notes to the financial statements.

In our opinion, the attached financial statements are prepared, in all material respects, in accordance with Accounting Standards for Small Business Enterprises and present fairly the financial position of the Company as at 31 March, 2021 and its operating results and cash flows for the during 1 April, 2020 to 31 March, 2021.

II. Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Design Industry China Ltd. in accordance with the Code of Ethics for Chinese Certified Public Accountants and have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with China Accounting Standards for Small Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Design Industry China Ltd. ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Design Industry China Ltd. or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Design Industry China Ltd. financial reporting process.

IV. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- d. Conclude on the appropriateness of management' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Design Industry China Ltd. ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Design Industry China Ltd. to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Beijing Xinghua Certified Public Accountants
Chinese Certified Public Accountant:
Hangzhou, China

15th June, 2021

BALANCE SHEET AS OF 31ST MARCH, 2021**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	29,950.00	207,159.55	Short-term loans	33		
Trading financial assets	2			Trading financial liabilities	34		
Bills receivable	3			Notes payable	35		
Accounts receivable	4	18,245.27	269,319.76	Accounts payable	36	3,000.00	234,894.84
Advances paid	5	12,849.36	136,549.06	Advances received	37	254,906.02	1,204,614.89
Interest receivable	6			Employee compensation payable	38		
Dividend receivable	7			Taxes and rates payable	39	27,706.44	32,869.54
Other receivables	8	87,641.17	439,853.75	Interest payable	40		
Inventories	9		8,777.31	Dividend payable	41		
Non-current assets due within one year	10			Other payables	42	6,926.54	
Other current assets	11	22,500.00		Non-current liabilities due within one year	43		
Sub-Total of Current Assets	12	171,185.80	1,061,659.43	Other current liabilities	44		
Non-current assets:							
Available-for-sale financial assets	13			Sub-Total of Current Liabilities	45	292,539.00	1,472,379.27
Held-to-maturity investments	14			Non-current liabilities:			
Long-term receivables	15			Long-term borrowings	46		
Long-term equity investments	16			Bonds payable	47		
Investment properties	17			Long-term payables	48		
Fixed assets cost	18	97,788.00	97,788.00	Special payables	49		
Less:Accumulated depreciation	19	77,508.60	56,988.60	Estimated liabilities	50		
Fixed assets	20	20,279.40	40,799.40	Deferred tax liabilities	51		
Construction in progress	21			Other non-current liabilities	52		
Construction materials	22			Sub-total of non-current liabilities	53		
Disposal of fixed assets	23						
Capitalized biological assets	24			Total Liabilities	54	292,539.00	1,472,379.27
Intangible assets	25			Owners' equity:			
Development expenditures	26			Paid-in capital	55	200,000.00	200,000.00
Goodwill	27			Capital surplus	56	3,686.40	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	-304,760.20	-573,606.84
Sub-Total of Non-Current Assets	31	20,279.40	40,799.40	Total Owners' Equity	60	-101,073.80	-369,920.44
Total Assets	32	191,465.20	1,102,458.83	Total Liabilities & Owners' Equity	61	191,465.20	1,102,458.83

INCOME STATEMENT FOR THE YEAR 1ST APRIL, 2020 TO 31ST MARCH, 2021**Design Industry China Ltd.****Monetary Unit: RMB Yuan**

	Items	Note No.	Current Period Cumulative	Preceding Period Comparative
I.	Revenue from Operations	1	4,102,891.63	4,834,500.70
II.	Less: Cost of Operations	2	914,344.10	1,393,096.43
	Taxes and surcharge for operations	3	23,350.99	25,095.73
	Selling expenses	4		
	General & administrative expenses	5	2,915,546.63	2,449,954.65
	Financial expenses	6	-15,913.51	22,723.03
	Assets impairment loss	7		
	Add: Investment income (or less: losses)	8		
III.	Operating Profit	9	265,563.42	943,630.86
	Add: Non-operating revenue	10	25,083.22	19,076.19
	Less: Non-operating expenditures	11	21,800.00	50.00
	including: Net loss on disposal of non-current assets	12		
IV.	Profit Before Tax	13	268,846.64	962,657.05
	Less: Income tax	14		
V.	Net Profit	15	268,846.64	962,657.05

STATEMENT OF CASH FLOW FOR THE YEAR 1ST APRIL, 2020 TO 31ST MARCH, 2021

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	3,764,921.46	6,038,799.91
	Cash receipts from taxes and rates refunds	2	4,546.79	76,486.36
	Other cash receipts relating to operating activities	3	474,693.00	19,076.19
	Total cash inflows from Operating Activities	4	4,244,161.25	6,134,362.46
	Cash paid for goods and services	5	1,136,002.85	1,571,076.21
	Cash paid to and on behalf of employees	6	2,083,348.09	1,454,247.39
	Cash payments of taxes and rates	7	271,484.17	210,097.28
	Other cash payments relating to operating activities	8	947,568.34	2,819,218.39
	Total cash outflows from Operating Activities	9	4,438,403.45	6,054,639.27
	Net cash flows from Operating Activities	10	-194,242.20	79,723.19
II.	Cash flows from investing activities:			
	Cash received from return of investments	11		
	Cash received from return on investments	12		
	Net cash received from the disposal of fixed assets, intangible assets and other long-term assets	13		
	Other cash receipts relating to investing activities	14		
	Total cash inflows from Investing Activities	15		
	Cash paid for acquiring fixed assets, intangible assets and other long-term assets	16		
	Cash paid for acquiring investments	17		
	Other cash payments relating to investing activities	18		
	Total cash outflows from investing activities	19	-	-
	Net cash flows from investing activities	20	-	-
III.	Cash flows from Financing Activities:			
	Cash received from investment by others	21		
	Cash received from borrowings	22		
	Other cash receipts relating to financing activities	23		
	Total cash inflows from financing activities	24		
	Cash repayments of borrowings	25		
	Cash paid for distribution of dividends or profits and for interest expenses	26		
	Other cash payments relating to financing activities	27		
	Total of cash outflows from financing activities	28		
	Net cash flows from financing activities	29		
IV.	Effect of foreign exchange rate changes on cash & cash equivalents	30	17,032.65	-16,514.63
V.	Net increase in cash and cash equivalents	31	-177,209.55	63,208.56
	Add: cash at the beginning of the period		207,159.55	143,950.99
VI.	cash and cash equivalents at the end of the period		29,950.00	207,159.55

NOTES TO FINANCIAL STATEMENTS FOR THE DURING 1ST APRIL, 2020 TO 31ST MARCH, 2021

1. Basics of the Company

Design Industry China Ltd. is a Limited Liability Company (Sole Foreign Corporation). The Company obtained a business license from People's Government of Hangzhou on 21 May 2015 issued by Hangzhou Municipal Administration of Industry and Commerce of the PRC. On December 23, 2016, the unified social credit code reissued by Hangzhou Shangcheng District Market Supervision and Administration Bureau was 913301003221707740 "Business license". The registered capital is RMB 200,000.00. ULTIMA SA contributed USD 32,000.00 on September 9th, 2015, equivalent to RMB203,686.40 yuan. Corporation registers: Room 1603, Lianyin Building, No. 887, Jiangcheng Road, Hangzhou, China. Post Code: 310002

The company changed its legal representative on May 9, 2019. After the change, the legal representative is: Sun Xiaoling.

After the change, Scope of business: the wholesale, retail, import and export of clothing, textile, suitcases & leather ware, art ware (except cultural relics), daily provisions; Service: clothing design, entrusted to engage in product quality inspection (Commodities that don't involve trade management commodity of China but involve quota, license management commodity, should be made application in accordance with the national relevant regulations.) (Any project that needs to be approved by law can only be carried out after getting approval by relevant authorities.)

2. Statement in Compliance with Small Business Accounting Standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Small Businesses and provide a true and complete reflection of the Company's financial position, operating results and cash flow.

3. Prepare the Basis

The Company prepares financial statements on the basis of continuing operations, in accordance with the actual transactions and matters that occur, in accordance with the provisions of the Small Business Accounting Standards.

4. Important Accounting Policies, Accounting Estimates

The Company implements the Accounting Standards for Small Businesses of the People's Republic of China. The following important accounting policies are based on this accounting standard.

1. Fiscal Year

The Company's fiscal year is from 1st January to 31st December Gregorian calendar year.

2. Book the Standard Currency

The Company takes RMB as the bookkeeping standard currency.

3. Bookkeeping Basis and Pricing principles

The accounting of the Company takes accrual system as the basis for accounting, and the assets are denominated based on actual cost. Each property is measured at actual cost at the time of acquisition, and if impairment occurs thereafter, the corresponding impairment provisions are made in accordance with the provisions of the enterprise accounting system.

4. Foreign Currency Business Accounting Methods

Foreign currency business involved in the fiscal year shall be recorded in RMB at the spot exchange rate at the date of occurrence of the foreign currency business. The balance sheet date shall be converted into the bookkeeping standard currency amount for the balance sheet of various foreign currency accounts such as foreign currency cash, foreign currency bank deposits, claims and debts at the spot exchange rate. The difference between the bookkeeping standard amount, which is equivalent to the current exchange rate on that date, and the book denominated currency amount, shall be included in the current profit and loss.

5. Cash Equivalents

Cash equivalents are investments held by the Company with short maturities, strong liquidity, easy conversion to known amounts of cash, and little risk of change in value.

6. Short-Term Investments

Short-term investments are investments that small businesses buy that are ready to cash out and hold for more than a year.

Short-term investments made in cash are measured at the cost of the purchase price and related taxes.

The sale of short-term investments, the sale price after deducting its book balance, the related taxes and fees of the net amount, included in the investment income.

NOTES (CONTD.)**7. Receivables and Advances**

Receivables and advances refer to the claims of small enterprises in their daily production and business activities. Includes accounts receivable, accounts receivable, dividends receivable, interest receivable, other receivables, etc. and advance accounts.

Criteria for confirmation of bad debt losses: if the debtor declares bankruptcy, closure, dissolution, revocation, or is cancelled or revoked in accordance with the law, and its liquidation property is not liquidated; if the debtor dies or is declared missing or dead in accordance with the law, and his property or estate is not liquidated; and the debts are not paid if the person is more than 3 years overdue and has conclusive evidence that he is unable to pay off the debt, if he has entered into a debt restructuring agreement with the debtor or the court approves the bankruptcy reorganization plan, and if force majeure, such as natural disasters or war, is not recoverable.

In the event of one of the above-mentioned circumstances in which receivables and advances occur, the irrecoverable receivables and advances recognized after deducting the recoverable amount shall be included in the out-of-business expenses at the time of actual occurrence as a loss of bad debts, and the receivables and advances shall be reduced.

8. Inventory Accounting Method

Inventory refers to the finished goods or commodities held by small enterprises for sale in the course of daily production and operation, the products in the production process, the materials and materials to be consumed in the production process or the provision of labor services, etc. Including raw materials, products, semi-finished products, finished products, commodities, turnover materials, commissioned processing materials. Inventory is accounted for in accordance with the following principles:

When the Company's inventory is acquired, it is recorded at actual cost.

The company takes or issues inventory, according to the actual cost accounting, the use of first-in, first-out method to determine its actual cost. When the company uses working materials and low-value consumables, it uses amortization method.

The inventory inventory system is based on a sustainable inventory system.

In the event of damage to inventory, disposal income, recoverable liability compensation and insurance compensation shall be included in the non-operating expenses or non-operating income, net of its costs, net of related taxes and fees, gains realized from inventory and losses incurred in inventory.

9. Long-Term Debt Investment

Long-term bond investments are bond investments that small businesses are prepared to hold for a long period of time (more than 1 year).

Long-term bond investments are measured at the purchase price and related taxes and fees. Interest on bonds that have reached the interest payment period but have not yet been received, as included in the actual payment price, are separately recognized as interest receivable.

Criteria for confirmation of investment losses in bonds: if the debtor declares bankruptcy, closure, dissolution, revocation, or cancels or revokes its business license in accordance with the law, and its liquidation property is not liquidated; if the debtor dies or is declared missing or dead in accordance with the law, and his property or estate is not liquidated; and the debts are not paid off if the person is more than 3 years overdue and has conclusive evidence that he is unable to pay off the debt, if he has entered into a debt restructuring agreement with the debtor or the court approves the bankruptcy reorganization plan, and if force majeure, such as natural disasters or war, is not recoverable.

If one of the above-mentioned situations occurs in long-term bond investment, the irrecoverable long-term bond investment, after deducting the recoverable amount, shall be included in the out-of-business expenses at the time of actual occurrence as a long-term bond investment loss, and the book balance of long-term bond investment shall be reduced.

10. Long-Term Equity Investment

Long-term equity investment refers to the equity investment that small enterprises are prepared to hold for a long time. Long-term equity investment is measured according to cost and accounted for by cost method. During the holding period of long-term equity investment, the cash dividend or profit declared by the invested unit shall be recognized as the investment income according to the amount payable.

NOTES (CONTD.)

Criteria for confirmation of long-term equity investment losses: if the invested unit declares bankruptcy, closure, dissolution, revocation, or is cancelled or revoked in accordance with the law; If the investment unit does not have control, the investment term expires or the investment term has exceeded 10 years, and the invested unit is insolvent due to three consecutive years of operating losses, the financial situation of the invested unit deteriorates seriously, a substantial loss has accumulated, and the liquidation or liquidation period has been completed for more than 3 years.

If one of the above-mentioned situations occurs in a long-term equity investment, the long-term equity investment that cannot be recovered after deducting the recoverable amount shall be included in the out-of-business expenses when it actually occurs, and the book balance of the long-term equity investment shall be reduced.

11. Fixed Asset Pricing and Depreciation Methods

Fixed assets are tangible assets held by small enterprises for the production of products, the provision of services, rental or management, with a service life of more than 1 year. Including houses and buildings, machinery, machinery, means of transport, equipment, appliances, etc.

Fixed assets are priced at the actual cost at the time of acquisition. The cost of the asset includes the purchase price and the expenses necessary to bring the asset to a predetermined usable state.

Once the depreciation method, service life and expected net residual value of fixed assets have been determined, they may not be changed at will. Fixed asset depreciation is measured in a straight line for the expected useful life after subtracting the estimated net residual value of 5 % from the original value. Fixed asset categories and estimated useful years and depreciation rates are as follows: The depreciation years and annual depreciation rates for various types of fixed assets are as follows:

Fixed asset Category	Depreciation years	Estimated net residual rate	Annual depreciation rate
Office equipment	3 years	5. 00%	31. 67%
Transport equipment	4 years	8. 80%	22. 80%

12. Works Under Construction

Construction means an engineering project under construction, including construction and maintenance facilities under construction, and equipment to be installed. The construction works under construction are recorded at cost (including pre-construction preparation, construction and acquisition costs, as well as borrowings incurred during construction, installation and commissioning of relevant special borrowings to meet capitalization conditions).

13. Intangible Asset

Intangible assets refer to identifiable non-monetary assets held by small enterprises for the purpose of producing products, providing services, leasing or operating and managing them without physical form. Including: land use rights, patent rights, trademark rights, copyright, non-patented technology.

Intangible assets are recorded at the actual cost at the time of acquisition (including purchase price, related taxes, etc.) and the value (including related taxes) recognized by contract or evaluation of intangible assets transferred for investment acceptance is recorded.

14. Long-Awaited Amortization Fees

Long-term amortization expenses include: the expenses of the reconstruction of fixed assets that have been fully depreciated, the expenses of the renovation of the operating leased fixed assets, the expenses of major repairs to fixed assets and other long-anticipated amortization expenses.

Long-awaited amortization costs are amortized in instalments over the life period using the average age method.

15. Borrowing Costs

Borrowing expenses are interest and other related costs incurred by an enterprise as a result of borrowing. This includes interest on borrowings, ancillary expenses, and exchange differences arising from foreign currency borrowings.

Borrowing expenses incurred by a company may be directly attributable to the purchase, construction or production of assets that meet the conditions for capitalization, and shall be capitalized and included in the related asset costs;

NOTES (CONTD.)**16. The Principle of Revenue Recognition**

Recognition of the income from the sale of goods:(1)When the enterprise issues the goods and receives the purchase price or acquires the right to collect the goods, the enterprise confirms the income from the sale of the goods;

Recognition of the provision of labour income:(1) Services initiated and completed in the same fiscal year shall be recognized when the provision of labour transactions is completed and payment is received or the right to receive payments is obtained. The amount of income from the provision of services is the contract or agreed price received or receivable from the recipient. (2) Where the start and completion of services are divided into different fiscal years, the income from the provision of services shall be recognized in accordance with the progress of completion. On the annual balance sheet date, the provision of labor income in accordance with the total income from the provision of services multiplied by the amount of the cumulative confirmed income from the provision of services in the previous fiscal year is deducted from the progress of completion, and the operating costs of the current period shall be carried forward by the total cost of providing services as estimated multiplied by the total cost of providing services in the previous fiscal year, after deducting the cumulative confirmed operating costs in the previous fiscal year.

17. Profit Distribution

When an enterprise distributes its profits after tax for the current year, 10% of the profits drawn in accordance with the provisions of the Company Law are included in the Company's statutory provident fund.

18. Major accounting policies, changes in accounting estimates and correction of material accounting errors for the current period

No major accounting policies, changes in accounting estimates and correction of material accounting errors were made in the current period.

1. Taxes

1. Major taxes and tax rates

Taxes	Tax base	Tax Rate%
Vat	Sales tax is calculated on the basis of taxable sales revenue and is calculated after deducting the difference between the amount of the credit allowed for deduction in the current period	13% 6%
City maintenance and construction tax	VAT paid	7%
Additional education fees	VAT paid	3%
Local education add-ons	VAT paid	2%
Corporate income tax	Taxable income	20%

2. Tax benefits and approvals

(1) Corporate income tax

Di Shangying (Hangzhou) Trading Co., Ltd. will pay corporate income tax at a rate of 20% for small micro-profit enterprises that meet the requirements of the tax law in 2020.

2. Key Item Notes for the Accounting Statement:

The following note item amount units are RMB dollars unless specifically stated that "end of period" means March 31, 2021, "beginning" means April 1, 2020, and "current period" means April 2020 to March 2021, "Previous" means April 2019 to March 2020

NOTES (CONTD.)**Notes to items of Financial Statements****(In RMB Yuan, unless otherwise stated)****1. Cash and Cash Equivalents**

Items	The balance at the end of the period	The amount of the beginning of the period
cash on hand	7,538. 53	90,430. 87
Bank deposits	22,411. 47	116,728. 68
Other monetary funds	-	-
Total	29,950. 00	207,159. 55

2. Accounts Receivable

(1) Aging analysis

Age	The balance at the end of the period			The amount of the beginning of the period		
	Gold	Percentage %	Bad debt preparation	Gold	Percentage %	Bad debt preparation
Within 1 year	18,245. 27	100. 00	-	269,319. 76	100.00	-
Total	18,245. 27	100. 00	-	269,319. 76	100.00	-

(2) Accounts receivable details are as follows:

The serial number	Single-digit name	The last balance of the period
1	Bhartiya International Limited	15,272. 36
2	Max Trade Limied	2,972. 91
Total		18,245. 27

3. Prepayments

(1) Aging Analysis

Age	The balance at the end of the period			The amount of the beginning of the period		
	Gold	Percentage %	Bad debt preparation	Gold	Percentage %	Bad debt preparation
Within 1 year	5,901. 36	45. 93	-	136,549. 06	100.00	-
1-2 years	6,948. 00	54. 07	-	-	-	-
Total	12,849. 36	100. 00	-	136,549. 06	100.00	-

(2) The breakdown of advance accounts is as follows (top three balances at the end of the period):

The serial number	Single-Digit Name	The last balance of the period
1	Hangzhou Rongrong Import and Export Trading Co., Ltd	5,000. 00
2	Dongguan Totem Textiles and Leather Co., Ltd	2,678. 40
3	Zhejiang Huilong Foreign Trade Co., Ltd	1,624. 00
Total		9,302. 40

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)****4. Other receivables**

(1) Aging analysis

Age	The balance at the end of the period			The amount of the beginning of the period		
	Gold	Percentage %	Bad debt preparation	Gold	Percentage %	Bad debt preparation
Within 1 year	87,641. 17	100. 00	-	439,853. 75	100.00	-
Total	87,641. 17	100. 00	-	439,853. 75	100.00	-

(2) Other receivables End of period details are as follows:

The serial number	Single-Digit Name	The last balance of the period
1	Nitin	69,800. 00
2	deposit	12,000. 00
3	Sun Xiaoling	4,000. 00
4	Export tax rebate	1,841. 17
Total		87,641. 17

5. Inventories

Items	The last balance of the period	The amount of the beginning of the period
Stock goods	-	8,777. 31
Total	-	8,777. 31

6. Other Current Assets

Items	The last balance of the period	The amount of the beginning of the period
Rent to be shared	22,500. 00	-
Total	22,500. 00	-

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)****7. Fixed assets and accumulated depreciation**

Project	Office equipment	Transport equipment	total
First, the original value of the book:			
1. Opening balance	7,788. 00	90,000. 00	97,788. 00
2. Increase in amount for the current period	-	-	-
(1) purchase	-	-	-
(2) Construction in the works under construction is transferred	-	-	-
(3) Increased mergers	-	-	-
3. Reduction amount for the current period	-	-	-
(1) Disposal or scrapping	-	-	-
4. End-of-term balance	7,788. 00	90,000. 00	97,788. 00
Second, accumulated depreciation			
1. Opening balance	7,193. 20	49,795. 40	56,988. 60
2. Increase in amount for the current period	-	-	-
(1) Counting	-	20,520. 00	20,520. 00
3. Reduction amount for the current period	-	-	-
(1) Disposal or scrapping	-	-	-
4. End-of-term balance	7,193. 20	70,315. 40	77,508. 60
Third, impairment preparation	-	-	-
1. Opening balance	-	-	-
2. Increase in amount for the current period	-	-	-
(1) Counting	-	-	-
3. Reduction amount for the current period	-	-	-
(1) Disposal or scrapping	-	-	-
4. End-of-term balance	-	-	-
Fourth, book value			
1. Book value at the end of the period	584. 80	19,684. 60	20,279. 40
2. Opening book value	584. 80	40,204. 60	40,799. 40

8. Accounts Payable**(1) Aging Analysis**

Aging analysis	The balance at the end of the period	The amount of the beginning of the period
Within 1 year (including 1 year)	3,000. 00	234,894. 84
Total	3,000. 00	234,894. 84

(2) The closing balance of accounts payable is detailed below

The serial number	Single-Digit Name	The last balance of the period
1	China Tax Union (Beijing) Tax Division Co., Ltd. Hangzhou Branch	3,000. 00
Total		3,000. 00

NOTES (CONTD.)**(In RMB Yuan, unless otherwise stated)****9. Pre-receiving Accounts**

(1) Aging analysis

Aging analysis	The balance at the end of the period	The amount of the beginning of the period
Within 1 year (including 1 year)	254,906. 02	1,204,614. 89
Total	254,906. 02	1,204,614. 89

(2) The balance at the end of the pre-receiving accounts is as follows

The serial number	Single-digit name	The last balance of the period
1	Ultima SA	227,465.00
2	G.gueloenpfennig Gesellschaft Mit Beschraenkter Haftung	18,823.82
3	Dueldenppennig Society	8,617.20
Total		254,906. 02

10. Other Payables

(1) Aging analysis

Aging analysis	The balance at the end of the period	The amount of the beginning of the period
Within 1 year (including 1 year)	6,926. 54	-
Total	6,926. 54	-

11. Taxes are Payable

Taxes	The last balance of the period	The amount of the beginning of the period
Vat	24,621. 11	29,416. 45
City maintenance and construction tax	1,723. 48	2,059. 15
Additional education fees	1,231. 05	1,470. 82
stamp duty	130. 80	337. 05
Export tax rebate	-	-413. 93
Total	27,706. 44	32,869. 54

12. Paid-in Capital

The name of the investor	The amount of the beginning of the period	This issue is added	This period is less	The last balance of the period
ULTIMA SA	200,000. 00	-	-	200,000. 00
Total	200,000. 00	-	-	200,000. 00

NOTES (CONTD.)

(In RMB Yuan, unless otherwise stated)

13. Capital Accumulation

Items	The amount of the beginning of the period	This issue is added	This period is less	The last balance of the period
Other capital accumulations	3,686. 40	-	-	3,686. 40
Total	3,686. 40	-	-	3,686. 40

14. Undistributed Profits

Items	The last balance of the period	The amount of the beginning of the period
Undistributed profits at the beginning of the year	-573,606. 84	-1,536,263. 89
Plus: Net profit for the year	268,846. 64	962,657. 05
Less: Withdrawal of the statutory surplus provident fund	-	-
Profits payable	-	-
Undistributed profits at the end of the year	-304,760. 20	-573,606. 84

15. Operating Income/Operating Costs

Items	The number of issues in this issue	The number of previous periods
Operating income	4,102,891. 63	4,834,500. 70
Operating costs	914,344. 10	1,393,096. 43

16. Sales Tax and Surcharges

Items	The number of issues in this issue	The number of previous periods
City maintenance and construction tax	12,903. 43	13,795. 33
Additional education fees	9,216. 75	9,853. 80
stamp duty	1,230. 81	1,446. 60
Total	23,350. 99	25,095. 73

17. Administrative Expenses

Items	The number of issues in this issue	The number of previous periods
Depreciation	20,520. 00	20,520. 00
Repair costs	2,185. 15	6,649. 94
Office expenses	20,730. 27	30,470. 20
Utilities	16,128. 72	24,783. 71
Travel expenses	150,245. 20	259,209. 63
Employee compensation	1,766,680. 00	1,038,820. 00
Business entertainment	16,857. 80	82,167. 21
Shipping and courier charges	306,849. 55	88,359. 68
Enterprises to the social security fund	199,984. 12	186,405. 48
other	42,856. 92	124,251. 70
Car charges	18,442. 05	17,745. 19
rent	199,800. 00	341,550. 00
Welfare fees	107,003. 97	221,821. 91
accumulation fund	9,360. 00	7,200. 00
Communications	8,217. 35	-
Education funding	4,438. 00	-
Audit fees	25,247. 53	-
Total	2,915,546. 63	2,449,954. 65

NOTES (CONTD.)

(In RMB Yuan, unless otherwise stated)

18. Financial Expenses

Items	The number of issues in this issue	The number of previous periods
Interest expense	-	-
Less: Interest income	247. 86	286. 21
Exchange losses	-17,032. 65	16,514. 63
Bank charges	1,367. 00	6,494. 61
Total	-15,913. 51	22,723. 03

19. Non-Operating Income

Items	The number of issues in this issue	The number of previous periods
Government subsidies	25,083. 22	19,076. 19
Total	25,083. 22	19,076. 19

20. Out-of-Business Expenses

Items	The number of issues in this issue	The number of previous periods
Fine expenses	200. 00	50. 00
Separation compensation expenses	21,600. 00	-
Total	21,800. 00	50. 00

7. Notes on Other Transactions:**1. Related party relationship and the company's transactions and balance with related parties**

1. 1 The related party that has the control relationship

1. 1. 1 Control the company's affiliates

The name of the related party	The place of registration	Main business	For the Company Shareholding ratio	Economic nature or type	Registered capital
Ultima SA	Switzerland		100. 00%	Corporation	-

1. 2 Where there is no related party to the control relationship:

The name of the related party	Relationship with the Company
Sun Xiaoling	legal representative

1. 3 The balance of related party payables

Section	The name of the joint party is called	The last balance of the period
Other receivables	Sun Xiaoling	4,000. 00
Pre-receiving accounts	ULTIMA SA	246,288. 82

2. Contingent Matters

As of 31 March, 2021, the Company does not have any material pending litigation, external guarantees, etc. that need to be disclosed.

3. Non-adjusted material matters after balance sheet date

As of 31 March, 2021, the Company does not have any non-adjustable material matters that need to be disclosed after the balance sheet date.

4. Other important matters

As of 31 March, 2021, there are no other important matters that need to be disclosed in this company.

DESIGN INDUSTRY CHINA LTD.

15th June, 2021

NOTES

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BHARTIYA

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