

# REPORT

ANNUAL

2019-2020



*Design-led.*

*Innovative.*

*Sustainable.*

*Reliable.*

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# FROM THE CHAIRMAN

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Dear Shareholders,

As we release this report, the world we know has changed. The coronavirus pandemic has impacted the way we live and conduct our businesses. It was truly a black swan event that took the entire world by surprise. We too like others have been impacted by the worldwide stay home orders and closure of our partner retail locations. Despite this crisis, we have done everything and more to stay committed to our long- term goal of creating sustainable stakeholder value. Our company continues to deliver strong results both on the operational front as well as profitability front. This is a testament to the strength of our business model and the commitment of our employees and our financial discipline.

While no doubt the pandemic has an unprecedented impact on the world of fashion retail globally, we as an organization are introspecting on how to create an opportunity out of this challenge. One of the areas is to become a much more leaner organization. Currently the immediate focus is to enhance productivity to best global standards. We want to come out as a stronger and highly efficient company built ready for the future. Accelerating the pace of digitization and democratization of information will be key parameters in our working vocabulary.

Bhartiya's constant endeavor has been to create value for its clients through the confluence of design thinking and seamless supply chain solutions. The group lives by the principle that design thinking creates extraordinary value in products and services for the consumers. We strive to leverage our strengths in creating innovative, high quality, and sustainable products and services for our clients.

People continue to be our most prized assets. From factory floor to merchandising teams supported by designers in Milan and various offices worldwide, we continue to invest in people.

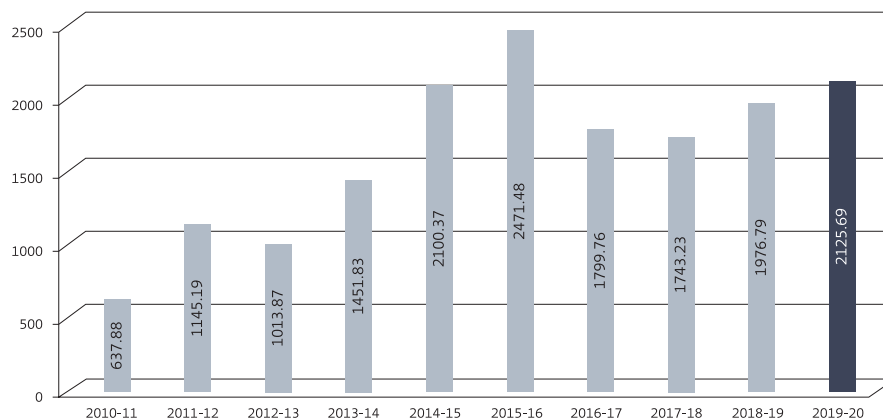
The current disruption in the world markets would definitely lead to consolidation of the industry. Stronger, well entrenched and market ready companies like yours have a great opportunity.

I am thankful to all of you for your continued support.

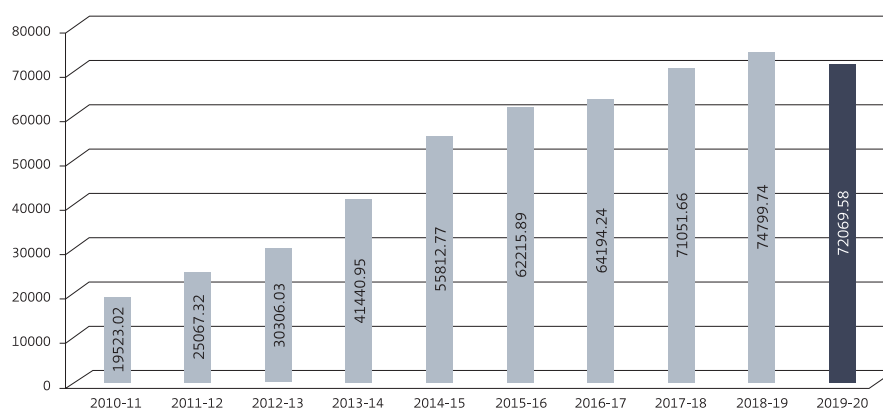
Snehdeep Aggarwal  
Chairman

# PERFORMANCE HIGHLIGHTS

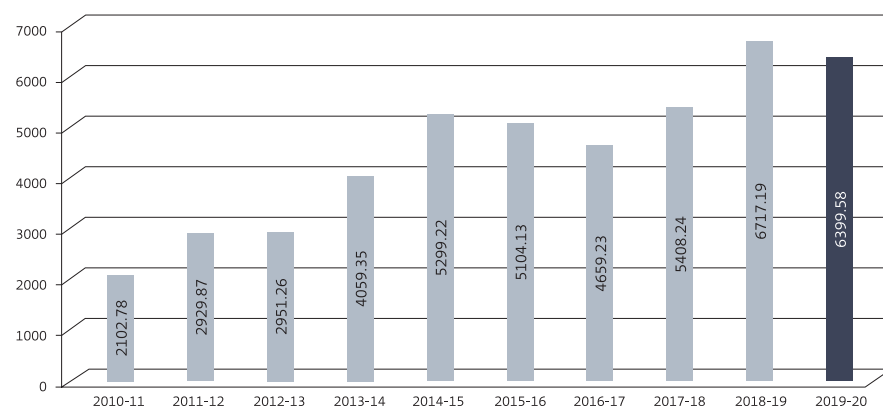
**Net Profit (Rs. in Lacs)**



**Turnover (Rs. in Lacs)**



**EBITDA (Rs. in Lacs)**





# BOARD OF DIRECTORS

## DIRECTORS

**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  
Appointed on 1st April 2020

**ANNAPURNA DIXIT**  
Independent Director  
Resigned on 28th July 2020

**RAJ KUMAR CHAWLA**  
Chief Financial Officer

**SHILPA BUDHIA**  
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 Ltd.  
Axis Bank  
Yes Bank  
State Bank of Mauritius

## DELHI

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

## GURUGRAM

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

## BENGALURU

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

## CHENNAI

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

## TADA

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

## ITALY

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

## HONGKONG

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

## Design Industry Ltd.

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

## SWITZERLAND

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

## CHINA

**Design Industry China Ltd.**  
Room 1603,  
Lianyin Building, No 887,  
Jiangcheng Road,  
Hangzhou,  
China - Pin Code: 310 002

# MANAGEMENT DISCUSSION & ANALYSIS

Bhartiya is a leader in the global apparel and accessories business and has made investments into real estate and city development. The group operates across segments such as manufacturing of fashion apparel and accessories, real estate, and city development.

Bhartiya International (Bhartiya Fashion) is a place where manufacturing meets design. Bhartiya Fashion is a leading manufacturer of outerwear, apparel, and accessories with supply chain solutions to many of the best fashion brands in Europe and North America. Bhartiya International is the largest exporter of leather fashion products in India.

Bhartiya Fashion network of ten manufacturing units, six design and prototyping facilities, nine business development offices, and six showrooms are driven by direct and indirect employment of over 20000 people worldwide. Every year the company develops hundreds of fashion collections for over 150 retailers across the world.

## KEY BUSINESS DIVISIONS

### 01

#### LEATHER OUTERWEAR

Bhartiya has been India's largest exporter of leather apparel for more than twenty-five years, producing leatherwear for global clients since 1990. The company has nine production facilities in the Bengaluru-Chennai region of South India, with a combined annual capacity of close to a million leather garments alone. Bhartiya also has manufacturing capabilities in China for leather garments, and this division is seeing increasing demand from European customers.

Our design team in this segment continues to innovate new products such as leather skirts, shearling jackets, and leather pants. Adhering to sustainability norms is a key focus area for us while designing products or services. We believe management has successfully navigated the complexities of design-development-production to operate our factories at world-class efficiency levels.



### 02

#### ACCESSORIES

Bhartiya has been manufacturing leather accessories for the global market since the mid-2000s, starting with a factory for bags and accessories in Chennai. Bhartiya factory has an annual production capacity of over a million bags, belts, wallets, and other small leather goods. The company aims to grow the business by many folds over the coming years. To achieve such scale, the company is currently focused on upgrading its technical capability and expanding capacity through a greenfield facility in Andhra Pradesh and a brownfield expansion at Chennai. The company has also invested in creating teams with technical and product development expertise to enhance the quality of product offerings. We expect such initiatives will help achieve higher standards of product excellence, as well as greater efficiency.



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With over 25 years of experience and vertically integrated model, Bhartiya Fashion offers its customers a one-stop-shop manufacturing platform and 360-degree Customized Fashion Solutions ranging from product design, raw material sourcing, production, quality control, logistics, and documentation. Manufacturing is complemented with certified quality control at different stages of production. Bhartiya Fashion product portfolio includes leather, textile apparels, and accessories for men, women, and children.

Bhartiya's prime strength is design. The company has exclusive design Studios in Milan, Los Angeles, New Delhi, and Chennai. The design teams create Private Label Collections and partner with brands to collaborate on the design and product development. The teams not only supplement customer design but also provide trends, fashion directions, and inspirations every season. The division provides end to end solutions from concept, design, sourcing, sampling to production.

Seamless integration of design and merchandising studios in Milan and Los Angeles with a manufacturing network in India, China, Bangladesh, and Italy ensures quality customer service.

## 03

### TEXTILE OUTERWEAR

The Textile Outerwear division offers one of the best quality products with a production capacity of up to a million garments per year. 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 expect this division to deliver sustained profitability while growing its business volume over the next several years.



## 04

### VIRTUAL MANUFACTURING

One of our key divisions going forward would be Virtual Manufacturing. The business division operates on an asset-light platform based model. Bhartiya's robust supply chain management capabilities, starting with design, are built around its factory relationships with third-party contractors, which enable the company to deliver finished textile apparel to leading brands in Europe. This business line has since evolved and is now strongly linked to the company's design studio in Milan to enable design-driven growth. The past year also witnessed the strengthening of our product development function and marketing team to expand our reach to new client base to rapidly grow this division. In addition to this, Bhartiya has set up a design and marketing centre in the United States to tap into North American market by establishing its long-term client relationships in the region. As these initiatives mature, the company expects this business line to contribute significantly to its total business in the next few years.

## 05

### LEATHER FINISHING

Bhartiya has a dedicated leather tannery in the southern Indian city of Chennai, which processes 15,000 skins each day. It is a LWG Gold rated tannery with a strong commitment to sustainability. The tannery has access to global hides and skin and produces the best finishes with a team of Italian and Indian designers/ technicians to create world-class products. This backward integration enables Bhartiya to create new finishes and fashion on leather, which has been a key element in growing the group's business. Since its establishment in 1997, this facility has multiplied its capacity to serve as company's hub for leather sourcing and finishing. Bhartiya global network means that the company can be exceptionally competitive when it comes to sourcing the best raw materials from New Zealand, the United Kingdom, Spain, France, and Italy, as well as from the Middle East and Latin America.

## 06

# OUR COMPANY



## 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.



## INTERNAL CONTROL SYSTEM

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

## 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 Debt to Equity ratio stood at 1.27 in FY 2019-20 compared to 0.97 in FY 2018-19 (an increase of 31%). The increase in Debt to Equity ratio for the year 2019-20 is on account of increase in short term debt to maintain surplus liquidity in the system as a prudential risk management practice in response to the disruptions created by the Coronavirus pandemic.

On Standalone basis, the Net Profit Margin increased to 3.72% for FY 2019-20 compared to 2.65% in FY 2018-19(an increase of 40%). The improvement in Net Profit Margin is on account of better cost control and due to deferred tax benefit of Rs. 4.43 crore in FY 2019-20.

## RISK MANAGEMENT

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

## CAUTIONARY STATEMENT

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



# BHARTIYA CITY, BENGALURU, INDIA



Located in Bengaluru, India, Bhartiya City is an urban 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 homes have been handed over to proud homeowners. Another 2200 homes of Nikoo 2 are in the delivery stage and an additional 2500 homes of Nikoo 4 are on the drawing board to be launched in Nov-Dec 2020.

Bhartiya City currently has ~3 million square feet (msf) IT office development of which 1.5 msf is fully leased out. The balance 1.5 msf is under construction and to be completed soon. The office portfolio hosts some of the leading technology companies like IBM, Infosys, Maersk as occupiers.





Bhartiya City Centre features a Shopping Centre, 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 Bengaluru city.

The group is also facilitating setting up of a world class-school within Bhartiya City which will offer national and international curriculum with the core philosophy of 'Makers of Leaders'.

Leela residences are private luxury residences located at the social center of Bhartiya City overlooking lush green Central Park are magnificently perched adjacent to the upcoming Leela hotel, one of the luxury 5star hotel brands in the country. Defined by a sophisticated sense of style and luxurious finishes, these residences come embellished with the legendary Leela service.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 33rd Annual Report and the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The consolidated and standalone financial results of the Company for the financial year ended 31<sup>st</sup> March, 2020 are as follows:

(Rs. in Lacs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Net Sales/ Income from Operations	<b>72069.58</b>	74799.74	<b>57467.48</b>	60929.62
Other Income	<b>435.50</b>	1198.07	<b>308.85</b>	412.75
Total Income	<b>72505.08</b>	75997.81	<b>57776.33</b>	61342.37
Profit before Interest, Tax & Depreciation	<b>6399.58</b>	6717.19	<b>5669.69</b>	6060.78
Finance Cost	<b>2491.33</b>	3053.31	<b>2296.42</b>	2876.72
Profit before Tax & Depreciation	<b>3908.25</b>	3663.88	<b>3373.27</b>	3184.06
Depreciation	<b>998.01</b>	812.70	<b>873.16</b>	692.59
Profit Before Tax	<b>2910.24</b>	2851.18	<b>2500.11</b>	2491.47
Tax Expenses	<b>435.87</b>	954.74	<b>349.44</b>	866.09
Net Profit after Tax	<b>2474.37</b>	1896.44	<b>2150.67</b>	1625.38
Share of Net Profit/(Loss) of Associates	<b>(348.68)</b>	80.35	-	-
Net Profit	<b>2125.69</b>	1976.79	<b>2150.67</b>	1625.38
Other Comprehensive Income	<b>29.88</b>	2.98	<b>30.31</b>	(7.71)
Total Comprehensive Income for the Year	<b>2155.57</b>	1979.77	<b>2180.98</b>	1617.67
Paid up Equity Share Capital	<b>1220.19</b>	1219.42	<b>1220.19</b>	1219.42
Reserve (Excl. Revaluation Reserve)	<b>33455.76</b>	38276.25	<b>27736.68</b>	25692.36
Earning per Share (Basic) Rs.	<b>17.67</b>	16.25	<b>17.63</b>	13.34
Earning per Share (Diluted) Rs.	<b>17.61</b>	16.11	<b>17.57</b>	13.25
Dividend	-	0.12	-	0.12

### PERFORMANCE REVIEW

On consolidated basis, during the year under review, the Company achieved a turnover of Rs. 72069.58. The Net Profit after taxes minority interest and share of profit/(loss) of associates surged by 7.53% and was reported at Rs. 2125.69 Lacs as against Rs. 1976.79 Lacs in the previous year.

On standalone basis, during the year under review, the Company achieved a turnover of Rs. 57467.48 Lacs. The Net Profit after taxes also surged by 7.53% and was reported at Rs. 2150.67 Lacs as compared to Rs. 1625.41 Lacs in the previous year showing an increase of 32.32%.

### 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 31<sup>st</sup> March, 2020.

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 2019-20.



## RESERVES

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

## SHARE CAPITAL

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

Dates	Description	No. of shares	Total value of shares ( )
01/04/2019	Share Capital at the beginning of the year	12194174	121941740
<b>Addition</b>			
31/05/2019	Equity Shares allotted pursuant to ESOP scheme	3413	34130
19/02/2020	Equity Shares allotted pursuant to ESOP scheme	4282	42820
31/03/2020	Share Capital at the end of the year	12201869	122018690

As on 31st March, 2020, Mr. Manoj Khattar, Whole-Time Director of the Company hold instruments convertible into equity shares of the Company.

## EMPLOYEES STOCK OPTION PLAN

During the year under review, the Company has allotted 7695 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 31<sup>st</sup> March 2020, 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.

## IMPACT OF COVID-19

The covid-19 pandemic has dramatically affected the fashion industry worldwide. Many retailers have shut down stores due to worldwide stay home orders/advice. Closure of retail stores have led to either cancellation/hold of orders which has affected many suppliers across the globe. We believe the pandemic would lead to consolidation in the Industry as many smaller suppliers may fold their businesses owing to lack of access to capital to sustain operations. We expect this crisis to have a structural change in customer behavior and their affinity to spend.

Bhartiya's manufacturing facilities remained shut from late March due to govt.'s lockdown orders and have opened in a phased manner from mid-May while adhering to all prescribed government regulations and keeping in mind the paramount need of safety of the employees. Some of the company's pending orders were on hold as per requirements of buyers. However, upon opening of factories, the dispatch of open order has already been initiated. The company has successfully navigating the crisis owing to its comfortable liquidity position and unutilized banking facilities. In addition, the company has undertaken capex and cash flow control and overhead optimization measures to manage operations and have adopted weekly review mechanisms to track accounts receivables. The efforts have shown positive results.

## FINANCIAL STATEMENTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020.

## 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. 3.85 lakhs during the financial year 2019-20.

#### 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. 1942.30 lakhs and the net loss was Rs. 8.66 lakhs during the financial year 2019-20.

#### 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. 41.08 lakhs and the net loss was Rs. 14.65 lakhs during the financial year 2019-20.

#### Bhartiya Fashion Retail Ltd.

The Company had registered a profit of Rs. 4.58 lakhs for the financial year 2019-20.

#### Bhartiya Urban Infrastructure Ltd

The Company had registered a loss of Rs. 0.01 lakhs for the financial year 2019-20.

### Overseas Subsidiaries

#### Ultima S.A. Switzerland

The Company is engaged in marketing and selling of outerwears including leather garments, accessories and textile products in Europe. The total revenues of the Company was CHF 21,927,151.57 and the net profit was CHF 484,364.48 during the financial year 2019-20.

#### World Fashion Trade Ltd, Mauritius

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China, India and Bangladesh for marketing and selling in Europe and US markets. The total revenues of the Company was HK\$ 2,343,545 and the Company has registered a net profit of HK\$ 60,089 for the period ended 31<sup>st</sup> March 2020.

#### Ultima Italia SRL, Italy

This company markets all fashion products including fur and leather garments in Italian market. The total revenues of the Company was Euro 2,351,169 and the net profit was Euro 5,916 during the financial year 2019-20.

#### Design Industry Ltd, Hongkong

This company is engaged in sourcing of outerwear (including leather, PU Garments, fashion accessories) and textile product from China and India for marketing and selling in Europe. The total revenues of the Company was HK\$ 77,688,933 and the net profit was HK\$ 959,185.

#### 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 4,834,500.70 and the net profit was RMB Yuan 962,657.05.

### 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.

## EXTRACT OF ANNUAL RETURN

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

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

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

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

The Annual Listing fee for the Financial Year 2020-21 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. Robert Burton Moore Jr. (DIN: 08108097), 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.

The Board of Directors had on the recommendation of Nomination and Remuneration Committee appointed Mrs. Sannovanda Machaiah Swathi (DIN: 06844250) as Additional Non-Executive Independent Director on 1st April, 2020 till 31<sup>st</sup> March 2025 subject to approval of the members in the ensuing Annual General Meeting. Due notice under Section 160 of the Act has been received from Member of the Company proposing the appointment of Mrs. Sannovanda Machaiah Swathi as an Independent Director of the Company at this Annual General Meeting. The Company has received declaration from Mrs. Sannovanda Machaiah Swathi confirming that she meets with the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, 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

There has been no change in the Key Managerial Personnel of the Company during the year under review. The Key Managerial Personnel include:

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

## COMMITTEES

The Board of Directors has the following mandatory Committees:

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

The details of the composition of Committees, terms of reference and numbers of Meetings held during the Financial Year 2019-20 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 February 2020 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 2019-20, four Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2019-20 forms part of the Corporate Governance Report.

## **COMPLIANCE OF SECRETARIAL STANDARDS**

During the financial year under review, the Company has complied with the 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.bhartiyafashion.com](http://www.bhartiyafashion.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.bhartiyafashion.com](http://www.bhartiyafashion.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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 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 33<sup>rd</sup> 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 2019-20 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 2020-21.

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 'C' 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 was submitted to the stock exchanges and is uploaded on the website of the Company i.e. [www.bhartiyafashion.com](http://www.bhartiyafashion.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 had mainly catered in the field of education and rural area development by providing scholarship to the students and extending donations/fund towards construction/repairs and development and maintenance of school, undertaking Drainage work and road repair work in rural areas.

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

## **ENVIRONMENT AND SAFETY**

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

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the work place with a mechanism of lodging complaints. Besides, redressal is placed on the intranet for the benefit of employees. Further, the Company has complied with provision relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 (14 of 2013).

## **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provision of Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31<sup>st</sup> March, 2020 on the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in the **Annexure E** forming part of this report.

## **HUMAN RESOURCES**

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 2019-20, the Company had 321 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 31<sup>st</sup> March, 2020.

#### **AWARDS AND ACCOLADES**

During the year under review, the Company has received the following rewards:

- 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

#### **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, 12<sup>th</sup> August, 2020

## Annexure A ESOP DISCLOSURE

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

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

- A. Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time are provided on the weblink: [www.bhartiyafashion.com]
- B. Diluted EPS on issue of shares in accordance with "Accounting Standard 20 - Earnings Per Share" issued by ICAI: Rs. 17.57

#### A. 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

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

Particulars	Year Ended 31 <sup>st</sup> March, 2020
Senior managerial personnel	NA
Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NA
Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA



C. The activity in the Employees Stock Option Plan during the year ended 31st March, 2020 is as under:

Particulars	Year ended 31 <sup>st</sup> March, 2020																															
Number of options outstanding at the beginning of the period	99,518																															
Number of options granted during the year	Nil																															
Number of options forfeited / lapsed during the year	Nil																															
Number of options vested during the year	11,000																															
Number of options exercised during the year	7,695																															
Number of shares arising as a result of exercise of options	7,695																															
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 374,750																															
Loan repaid by the Trust during the year from exercise price received	NA																															
Number of options outstanding at the end of the year	91,823																															
Number of options exercisable at the end of the year	45,823																															
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	<table><tr><th>September 16, 2015</th><th>December 31, 2015</th><th>February 03, 2018</th><th>April 05, 2018</th></tr><tr><td>Rs. 468.70</td><td>Rs 521.15</td><td>Rs. 463.55</td><td>Rs. 410.15</td></tr><tr><td>Rs. 50.00</td><td>Rs. 50.00</td><td>Rs. 450.00</td><td>Rs. 330.00</td></tr><tr><td>46.11%</td><td>45.56%</td><td>39.22%</td><td>36.78%</td></tr><tr><td>4.50 years</td><td>4.50 years</td><td>5.50 years</td><td>5.50 years</td></tr><tr><td>0.21%</td><td>0.19%</td><td>0.26%</td><td>0.29%</td></tr><tr><td>7.80%</td><td>7.60%</td><td>7.55%</td><td>7.22%</td></tr></table>				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%
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. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. N.	Name and Description of Main Products / Services	NIC Code of the Product/ service	% to total turnover of the company
1	Leather & Textile Products	1410 and 1512	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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

S. N	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
9	<b>Design Industry Ltd.</b> Room 1104, Crawford House, 70 Queen Road Central, Hong Kong	-	Overseas Subsidiary Company	100%	2(87)
10	<b>Design Industry China Ltd.</b> Room 407-1, Tower 8, United Plaza, No. 58 Qianjiang Road, Hangzhou, China	-	Overseas Subsidiary Company	100%	2(87)
11	<b>Tada Mega Leather Cluster Pvt. Ltd.</b> E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	U74140DL2013PTC249002	Associate Company	50%	2(6)
12	<b>Bhartiya Urban Pvt. Ltd.</b> 56/7, Nallambakkam Village (Via Vandalur), Chennai- 600048	U45201TN2006PTC036015	Associate Company	36.77%	2(6)
13	<b>Bhartiya Developers Consortium Pvt. Ltd.</b> Plot no. 38, Sector 44, Gurugram - 122003	U45201HR2005PTC036107	Associate Company	36.77%	2(6)
14	<b>Milestone Buildcon Private Limited</b> 56/7, Nallambakkam Village (Via Vandalur), Chennai- 600048	U45201TN2005PTC112747	Associate Company	36.77%	2(6)
15	<b>MSCK Projects LLP</b> E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030	AAG-0664	LLP	36.77%	2(6)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in share- holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoter(s)</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2232636	-	2232636	18.31	2232636	-	2232636	18.30	(0.01)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate.	3561926	-	3561926	29.21	3927013	-	3927013	32.18	2.97
e) Banks / FIs	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>5794562</b>	<b>-</b>	<b>5794562</b>	<b>47.52</b>	<b>6159649</b>	<b>-</b>	<b>6159649</b>	<b>50.48</b>	<b>2.96</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FIs	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total(2):-A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A) (2)</b>	<b>5794562</b>	<b>-</b>	<b>5794562</b>	<b>47.52</b>	<b>6159649</b>	<b>-</b>	<b>6159649</b>	<b>50.48</b>	<b>2.96</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	5000	200	5200	0.04	-	200	200	0.002	(0.038)
c) Central Govt.	39989	0	39989	0.33	43053	0	43053	0.35	0.02
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FFI's	2	22500	22502	0.18	1020746	22500	1043246	8.55	8.37
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	<b>44991</b>	<b>22700</b>	<b>67691</b>	<b>0.55</b>	<b>1063799</b>	<b>22700</b>	<b>1086499</b>	<b>8.90</b>	<b>8.35</b>
<b>2. Non- Institutions</b>									
a) Bodies Corporate.									
i) Indian	2774337	800	2775137	22.76	2276132	300	2276432	18.66	(4.10)
ii) Overseas	1024587	-	1024587	8.40	-	-	-	-	(8.40)
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	1005276	67097	1072373	8.79	978485	64870	1043355	8.55	(0.24)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1206124	98800	1304924	10.70	1291557	-	1291557	10.58	(0.12)
c) Others	-	-	-	-	-	-	-	-	-
(1) Trusts	-	-	-	-	-	-	-	-	-
(2) Foreign National	-	-	-	-	-	-	-	-	-
(3) Non Resident Indian	35488	200	35688	0.29	32810	200	33010	0.27	(0.02)
(4) Clearing Members	4972	-	4972	0.04	237928	-	237928	1.95	1.91
(5) Hindu Undivided Family	70215	-	70215	0.58	29414	-	29414	0.24	(0.34)
(6) Director(s)	20025	24000	44025	0.36	20025	24000	44025	0.36	-
<b>Sub-total (B)(2):-</b>	<b>6141024</b>	<b>190897</b>	<b>6331921</b>	<b>51.92</b>	<b>4866351</b>	<b>89370</b>	<b>4955721</b>	<b>40.61</b>	<b>(11.30)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>6186015</b>	<b>213597</b>	<b>6399612</b>	<b>52.47</b>	<b>5930150</b>	<b>112070</b>	<b>6042220</b>	<b>49.51</b>	<b>(2.96)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total(A+B+C)</b>	<b>11980577</b>	<b>213597</b>	<b>12194174</b>	<b>100</b>	<b>12089799</b>	<b>112070</b>	<b>12201869</b>	<b>100</b>	<b>-</b>

**(ii) Shareholding of Promoters**

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Snehdeep Aggarwal	1143362	9.38	-	1143362	9.37	-	(0.01)
2	Ramesh Bhatia	340250	2.79	-	340250	2.79	-	0
3	Arjun Aggarwal	496150	4.07	-	496150	4.07	-	0
4	Parushini Aggarwal	7500	0.06	-	7500	0.06	-	0
5	Pawan Aggarwal	5000	0.04	-	5000	0.04	-	0
6	Kanwal Aggarwal	190374	1.56	-	190374	1.56	-	0
7	Snehdeep & Co. HUF	50000	0.41	-	50000	0.41	-	0
8	Bhartiya Global Ventures Pvt. Ltd.	1850000	15.17	-	2215100	18.15	-	2.98
9	Bhartiya Advisory Services Pvt. Ltd.	681926	5.59	-	681913	5.59	-	0
10	Bhartiya Infotech Pvt. Ltd.	1000000	8.20	-	1000000	8.20	-	0
11	R.L. Bhatia Associates Pvt. Ltd.	30000	0.25	-	30000	0.251	-	0
	<b>TOTAL</b>	<b>5794562</b>	<b>47.52</b>	<b>-</b>	<b>6159649</b>	<b>50.48</b>	<b>-</b>	<b>2.96</b>

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

S. N.	Particulars	Shareholding at the beginning of the year		Changes (Increase/ Decrease)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	Percentage	No. of shares	% of total shares of the company
1	Bhartiya Global Ventures Private Limited*	1850000	15.17	365100	2.98	2215100	18.15
2	Bhartiya Advisory Services Private Limited	681926	5.59	(13)	0.0	681913	5.59

\* The Promoter Company – Bhartiya Global Ventures Private Limited had purchased 235000 Equity shares of face value of Rs. 10/-each of the Company from Open Market on 30.03.2020, which is not appearing above since the shares were not credited in the Demat Account till 31st March, 2020.

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

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Girish Shankarlal Dhoot	315000	2.58	315000	2.58
2	Srinivas BS	147612	1.21	147612	1.21
3	Superfine Carpets Pvt Ltd	1256244	10.30	659266	5.40
4	Vinod Infotech Pvt Ltd	141677	1.16	157942	1.29
5	Dwarkadhish Trading Pvt Ltd	190000	1.56	-	-
6	TIMF Holdings	706474	5.79	706474	5.79
7	Karuna Ventures Pvt Ltd	400000	3.28	400000	3.28
8	Share Point LLP	285500	2.37	285500	2.34
9	Morgan Stanley Asia (Singapore) Pte	278315	2.28	278315	2.28
10	Ishaan Metals Pvt Ltd	112765	0.92	187288	1.53
11	JM Financial Services Limited	-	-	234988	1.93

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

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

S. N.	Shareholding of each Directors and each Key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>Mr. Snehdeep Aggarwal</b>				
	At the beginning of the year	1143362	9.38	1143362	9.37
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	1143362	9.37
2	<b>Mr. Ramesh Bhatia</b>				
	At the beginning of the year	340250	2.79	340250	2.79
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. Allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	340250	2.79
3	<b>Mr. Manoj Khattar</b>				
	At the beginning of the year	20025	0.16	20025	0.16
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. Allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	20025	0.16

S. N.	Shareholding of each Directors and each Key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	<b>Mr. Nikhil Aggarwal</b>				
	At the beginning of the year	20000	0.16	20000	0.16
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	20000	0.16
5	<b>Mr. Robert Burton Moore Jr</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
6	<b>Mr. A. Sahasranaman</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
7	<b>Mr. C. L. Handa</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
8	<b>Mr. Sandeep Seth</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
9	<b>Mr. Shashank</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil

S. N.	Shareholding of each Directors and each Key Management Personal	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10	<b>Ms. Annapurna Dixit</b>				
	At the beginning of the year	4000	0.03	4000	0.03
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	4000	0.03
11	<b>Mr. Raj Kumar Chawla</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil
12	<b>Ms. Shilpa Budhia</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date Wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):				
	At the End of the year	-	-	Nil	Nil

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,407,108,350	-	-	3,407,108,350
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,105,655	-	-	3,105,655
<b>Total (i+ii+iii)</b>	<b>3,410,214,005</b>	<b>-</b>	<b>-</b>	<b>3,410,214,005</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	655,877,528	-	-	655,877,528
· Reduction	79,046,084	-	-	79,046,083
<b>Net Change</b>	<b>576,831,444</b>	<b>-</b>	<b>-</b>	<b>576,831,444</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,048,849,289	-	-	4,048,849,289
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,747,414	-	-	2,747,414
<b>Total (i+ii+iii)</b>	<b>4,051,596,703</b>	<b>-</b>	<b>-</b>	<b>4,051,596,703</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S. N.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (In Rs.)
		Mr. Manoj Khattar	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	9718399  10800	9718399  10800
2.	Stock Option	2783	2783
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	<b>Total (A)</b>	<b>9729199</b>	<b>9729199</b>
	Ceiling as per the Act	(Ceiling as per the Act @ 5% of profits calculated under Calculated under Section 198 of the Companies Act, 2013)	

**B. Remuneration to other Directors:**

S. N.	Particulars of Remuneration	Name of Directors									Total Amount (in Rs.)
		Mr. Snehdeep Aggarwal	Mr. A. Sahasranaman	Mr. Shashank	Mr. Sandeep Seth	Mrs. Annapurna Dixit	Mr. C. L. Handa	Mr. Nikhil Aggarwal	Mr. Ramesh Bhatia	Mr. Robert Burton Moore Jr.	
	Independent Directors/Other Non-Executive Directors										
	· Fee for attending board committee meetings		36111	63336	75003	25000	55558	-	2778	-	257786
	· Commission		-	-	-	-	-	-	-		
	· Others, please specify	10,00,000 (Remuneration as chairman)	-	-	-	-	-	-	-	8975076 (Consultancy Fee)	9975076
	<b>Total</b>	<b>10,00,000</b>	<b>36111</b>	<b>63336</b>	<b>75003</b>	<b>25000</b>	<b>55558</b>	<b>-</b>	<b>2778</b>	<b>8975076</b>	<b>10232862</b>
	Overall Ceiling as per the Act	(Overall Ceiling as per the Act @ 11% of profits calculated under calculated under Section 198 of the Companies Act, 2013)									

Total managerial Remuneration is Rs. 1,99,62,061

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD****(Amount in Rs.)**

<b>S. N</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>		
		<b>Chief Financial Officer</b>	<b>Company Secretary</b>	<b>Total</b>
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4807762	1415124	6222886
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1194		1194
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option (balance in nos.)	-		
3.	Sweat Equity	-		-
4.	Commission - as % of profit - others, specify...	-		-
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>4808956</b>	<b>1415124</b>	<b>6224080</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March, 2020.

**ANNEXURE C**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2020

*[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 600048

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2020 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, 2020 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, 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 NO.4468, C. P. NO. 3666**  
**UDIN: F004468B000590240**

Delhi, 12<sup>th</sup> August, 2020

The Members  
Bhartiya International Ltd  
56/7, Nallambakkam Village (Via Vandalur)  
Chennai Tamil Nadu 600048

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 NO.4468, C. P. NO. 3666**

Delhi, 12<sup>th</sup> August, 2020

**Annexure – D**  
**Corporate Social Responsibility (CSR)**

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

1.	<b>A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.</b>	The CSR Policy, duly approved by the Board of Directors has been uploaded on the Company website <a href="http://www.bhartiyafashion.com">www.bhartiyafashion.com</a> . The policy contains the exhaustive list of programmes that can be undertaken by the Company during any period of time.  During the financial year 2019-20, the company had mainly catered in the field of education and rural area development by providing scholarship to the students and extending donations/fund towards construction/repairs and development and maintenance of school, undertaking Drainage work and road repair work in rural areas
2.	<b>The Composition of the CSR Committee</b>	Mr. Snehdeep Aggarwal – Chairman Mr. Ramesh Bhatia – Member Mr. Sandeep Seth - Member
3.	<b>Average net profit of the Company for last three financial years</b>	Rs. 23.13 crores
4.	<b>Prescribed CSR Expenditure (2% of the above mentioned amount)</b>	Rs. 46.25 lakhs
5.	<b>Details of CSR spent during the financial year</b> (a) Total amount to be spent for the financial year; (b) Balance brought forward from previous year (c) Total amount spent (d) Amount unspent, if any;	Rs. 46.25 lakhs Rs. 99.21 lakhs Rs. 39.88 lakhs Rs. 105.58 lakhs

**(c) Manner in which the amount spent during the financial year is detailed below.**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct
1	Scholarships to Students	Promoting Education	Delhi NCR, Bengaluru	Rs. 19,12,000/-	Direct – Rs. 19,12,000/-	Rs. 19,12,000/-	Rs. 19,12,000/-
2	Extended donation to United Way of Mumbai	Promoting National recognized Sports activities	Mumbai, Maharashtra	Rs. 1,00,000/-	Direct – Rs. 1,00,000/-	Rs. 1,00,000/-	Rs. 1,00,000/-
3	Extended Donation to Sai Ashish Society for Spastic Children in New Delhi	Promoting Education	New Delhi	Rs. 1,00,000/-	Direct – Rs. 1,00,000/-	Rs. 1,00,000/-	Rs. 1,00,000/-
4	Extended donation towards construction/ repairs and development and maintenance of school	Promoting Education	Rathinamangalam Village, Chennai, Tamil Nadu	Rs. 2,10,000/-	Direct – Rs. 2,10,000/-	Rs. 2,10,000/-	Rs. 2,10,000/-
5	Repair of roads	Rural development projects	Rathinamangalam Village Panchayat and Thiruvalluvar Village, Chennai, Tamil Nadu	Rs. 14,14,875/-	Direct - Rs. 14,14,875/-	Rs. 14,14,875/-	Rs. 14,14,875/-
6	Drainage Cleaning work	Sanitation	Thiruvalluvar Village, Chennai, Tamil Nadu	Rs. 2,51,250/-	Direct – Rs. 2,51,250/-	Rs. 2,51,250/-	Rs. 2,51,250/-
	<b>TOTAL</b>			<b>Rs. 3988125</b>	<b>Direct - Rs. 3988125/-</b>	<b>Rs. 3988125/-</b>	<b>Rs. 3988125/-</b>

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

The Company plans to spend the balance amount in the projects as defined in accordance with Schedule VII of Section 135 of the Companies Act, 2013, in the coming years.

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

Chairman

Chairman of CSR Committee

Gurugram, 12<sup>th</sup> August, 2020

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## Annexure E

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

### a. Conservation of Energy

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

### b. Technology Absorption

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

### c. Foreign Exchange Earnings & Outgo

The information on foreign exchange earnings and outgo are

Earnings: Rs. 507,69,30,245/-

Expenditure: Rs. 177,73,65,570/-

### For and on behalf of the Board

Snehdeep Aggarwal  
Chairman  
DIN: 00928080

Gurugram, 12<sup>th</sup> August, 2020

## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2020, 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 Ltd. maintains its industry leadership through continuous endeavor to improve upon governance aspects on an on-going basis and adopts innovative approaches for leveraging resources, converting opportunities and motivation fostering a healthy growth and development of human resources thus generated confidence among business partners, customers and investors and at the same time fulfills its social responsibilities.

During the Financial year 2019-2020, the Company is in compliance with 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 31<sup>st</sup> March, 2020, 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 contribute in the deliberations of the Board, covering all strategic policy matters and strategic decisions.

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

Name	Director Identification Number	Date of Appointment	Category of Directors	Directorships in other Indian Public Limited Companies	Memberships/ Chairmanships of other Committees		List of Directorship held in Other Listed Companies and Category of Directorship
					Chairman	Member	
Mr. Snehideep Aggarwal	00928080	07-01-1987	Promoter, Non-Executive Chairman	-	-	-	-
Mr. 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	-	-	-	-
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	-



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. Shashank	01569514	30-07-2007	Non-Executive Independent Director	1	-	1	-
Mr. A. Sahasranaman	01983690	30-06-2008	Non-Executive Independent Director	-	-	-	-
Ms. Annapurna Dixit	06844250	18-09-2014	Non-Executive Independent Director	-	-	-	-

Note: Mrs. Annapurna Dixit resigned from the Directorship w.e.f 28<sup>th</sup> July, 2020 and Mrs. Sannovanda Swathi Machaiah, was appointed as an Additional Independent Director w.e.f. 1<sup>st</sup> April 2020

- The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies and is within respective limits prescribed under the Companies Act, 2013 ("Act") and Listing Regulations.
- Memberships/Chairmanships of only Audit Committees and Stakeholders Relationship Committees in all Public Limited Companies (excluding Bhartiya International Limited) have been considered. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
- The Independent Directors also meet the criteria as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013.
- Details of Director(s) retiring or being re-appointed are given in the notice to Annual General Meeting. The brief profile of the Board Members is given on the website of the Company [www.bhartiyafashion.com](http://www.bhartiyafashion.com).
- Maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and rules made thereunder.
- Mr. Nikhil Aggarwal is the nephew of Mr. Snehdeep Aggarwal, Promoter Director. No other directors are related to each other.

#### b. Number of Board Meetings:

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

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

In the financial year 2019-20, the Board met four times. The meetings were held on 27<sup>th</sup> May 2019, 6<sup>th</sup> August, 2019, 13<sup>th</sup> November 2019, and 14<sup>th</sup> February, 2020. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulations.

The attendance of Directors at the Board meetings held during the financial year ended 31<sup>st</sup> March, 2020 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	1	Absent
Mr. C. L. Handa	1	Present
Mr. Sandeep Seth	3	Present
Mr. Shashank	2	Absent
Mr. A. Sahasranaman	4	Absent
Mr. Nikhil Aggarwal	4	Absent
Ms. Annapurna Dixit	3	Absent
Mr. Robert Burton Moore Jr	4	Absent

\* Includes Meeting attended through Video/Tele Conference.

**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:

<b>Name of the Directors</b>	<b>Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)</b>
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. Annapurna Dixit	Government services and Social Services

**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 31<sup>st</sup> March 2020, the shares held by the Non-Executive Directors is provided below:

<b>Name of the Directors</b>	<b>No. of shares held</b>
Mr. Snehdeep Aggarwal	1143362
Mr. Ramesh Bhatia	340250
Mr. Nikhil Aggarwal	20000
Mrs. Annapurna Dixit	4000

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 Bhartiya Group [www.bhartiyafashion.com](http://www.bhartiyafashion.com). The same is issued to Independent Directors on their appointment. In compliance with the Listing Regulations, Directors of the Company do not serve as an Independent Director in more than seven listed companies. 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 them, which inter alia explains the role, function, duties and responsibilities expected of them as 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 an affirmation is obtained. The Executive Directors also have a one to one discussion with the newly appointed Director to familiarize them 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.

## **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.

Ms. Shilpa Budhia, 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 2019-20**

The Members of the Audit Committee met four times during the Financial Year 2019-20. 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 25<sup>th</sup> May, 2019, 6<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. 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	25.05.2019	06.08.2019	13.11.2019	14.02.2020
Mr. Sandeep Seth	P	P	P	P
Mr. Shashank	A	P	A	P
Mr. C.L. Handa	P	A	P	P

### (iii) Terms of Reference

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- b. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, if any, and fixation of audit fees and other terms of appointment
- c. Approving payment to statutory auditors, including cost auditors, if any, for any other services rendered by them
- d. Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report of the Company from time to time
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by the management
  - Significant adjustments made in financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of related party transactions
  - Modified opinion(s) in the draft audit report
- e. Reviewing with the management and Statutory Auditors, the quarterly and half yearly financial statements before submission to the Board for approval
- f. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- h. Approval or any subsequent modification of transactions of the Company with related parties
- i. Scrutiny of inter-corporate loans and investments
- j. 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. Ms. Shilpa Budhia, Company Secretary acts as Secretary of the Nomination and Remuneration Committee. The Composition of Remuneration and Nomination Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

### **(ii) Meetings and Attendance during the financial year 2019-20**

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:

<b>Director</b>	<b>02.05.2019</b>	<b>25.05.2019</b>	<b>31.05.2019</b>	<b>19.02.2020</b>	<b>20.03.2020</b>
Mr. Sandeep Seth	P	P	P	P	P
Mr. Shashank	P	A	A	P	P
Mr. C.L. Handa	P	P	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 2019-20 is as under:

<b>Name of the Director</b>	<b>Salary (Rs.)</b>	<b>Stock Options</b>	<b>Notice Period</b>
Mr. Manoj Khattar *	9,729,199	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 2019-20 is as under: -

<b>Name of the Director</b>	<b>Board Meeting Fees (Rs.) *</b>	<b>Committee Meeting Fees (Rs.) *</b>	<b>Total (Rs.)</b>
Mr. Snehdeep Aggarwal	-	-	-
Mr. C. L. Handa	11111	44447	55558
Mr. Ramesh Bhatia	2778	-	2778
Mr. A. Sahasranaman	36111	-	36111
Mr. Shashank	22222	41114	63336
Mr. Sandeep Seth	25000	50003	75003
Mr. Nikhil Aggarwal	-	-	-
Ms. Annapurna Dixit	25000	-	25000
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 2019-20 for his responsibilities as the Chairman of the Company.

Mr. Robert Burton Moore Jr., Non-Executive Director, was paid Consultancy Fees of Rs. 89,75,076/- during the year under review as approved by the shareholders of the Company in the Annual General Meeting held on 26th September, 2019 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.

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 February, 2020 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.

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

**(ii) Meetings and attendance during the Financial Year 2019-20**

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

<b>Director</b>	<b>03.05.2019</b>	<b>04.07.2019</b>	<b>14.10.2019</b>	<b>31.01.2020</b>
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**

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 35 (Thirty Five) only and all of them have been redressed/answered to the satisfaction of shareholders. There was no grievance which was pending during the previous financial year ending 31<sup>st</sup> March, 2020.

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

The Committee comprises of three Directors. Mr. Snehdeep Aggarwal is the Chairman of the Committee. Other members of the Committee are Mr. Ramesh Bhatia and Mr. Sandeep Seth. Ms. Shilpa Budhia, Company Secretary acts as Secretary of the CSR Committee. The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013.

**(ii) Meetings and Attendance during the financial year 2019-20**

Three Meetings of the Committee were held during the year.

<b>Director</b>	<b>27.05.2019</b>	<b>30.09.2019</b>	<b>31.03.2020</b>
Mr. Snehdeep Aggarwal	P	A	P
Mr. Ramesh Bhatia	A	P	A
Mr. Sandeep Seth	P	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 2019-20**

Fourteen Meetings of the Committee were held during the year 2019-20.

Meetings	Directors		
	Mr. Snehdeep Aggarwal	Mr. Manoj Khattar	Mr. C.L. Handa
15.04.2019	P	P	P
26.04.2019	P	P	P
21.05.2019	P	P	P
27.05.2019	P	P	A
13.06.2019	P	P	P
18.07.2019	P	P	P
26.07.2019	P	P	P
23.08.2019	P	P	P
19.09.2019	P	P	P
16.10.2019	P	P	P
19.11.2019	P	P	P
10.01.2020	P	P	P
04.02.2020	P	P	P
04.03.2020	P	P	P

**(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/liasing with various Statutory/Regulatory authorities including state, central authorities viz., Income Tax, FEMA, MCA, SEBI, Pollution Control Board, Municipal Corporation, Telecom authorities, Service Tax authorities, VAT authorities, GST authorities etc. and vendors.
- Authorisation for opening and closing of bank accounts, changes in signatories for operating the bank accounts etc.

- d. Authorisation for making investments in securities quoted on the stock exchanges.
- e. Authorisation for making investments in group companies.
- f. To take up any other assignments as may be granted by the Board from time to time.

#### (F.) SHARE TRANSFER COMMITTEE

Share Transfer Committee comprised of Mr. Snehdeep Aggarwal and Mr. Manoj Khattar as members.

Two Meetings of the Committee were held on 13th November, 2019 and 18th November, 2019 during the year under review for dealing with requests received from shareholders for transmission of shares and name deletions.

As per SEBI directives, effective 1st April, 2019, transfer of shares in physical form has ceased. The Board had agreed to dissolve the Share Transfer Committee pursuant to directives issued by SEBI wherein it is compulsory to trade in the Company's equity shares in dematerialized form.

Requests from shareholders for Transmission of shares, name deletions, change of name will be handled by the Stakeholders Relationship Committee

#### (G.) 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 15<sup>th</sup> February, 2020 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
32 <sup>nd</sup> AGM	26 <sup>th</sup> September, 2019	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	4
31 <sup>st</sup> AGM	28 <sup>th</sup> September, 2018	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	2
30 <sup>th</sup> AGM	27 <sup>th</sup> September, 2017	02.00 P.M.	Auditorium, National Institute of Siddha, Trichy-Chennai Highway, Tambaram Sanatorium, Chennai, Tamil Nadu - 600 047	6

All resolutions moved at the Annual General Meeting held on 27<sup>th</sup> September 2017, 28<sup>th</sup> September, 2018 and 26<sup>th</sup> September, 2019 were passed through Poll (electronically and physical ballot).

No Extraordinary General Meetings were held during the last 3 years

#### POSTAL BALLOT

During the year under review, the Company completed process of one postal ballot as per the provisions of Section 110 of the Act. The voting was conducted through physical mode as well as electronic mode. The Company had engaged the services of NSDL to provide e-voting facility to its Members. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) is to be carried out. The following Resolutions are deemed to have been passed on the last date of e-voting and receipt of Postal Ballot forms.

**Postal Ballot Notice dated 3<sup>rd</sup> May 2019**

<b>SI No.</b>	<b>Particulars</b>	<b>No. of votes polled</b>	<b>No. and % of votes in favour</b>	<b>No. and % of votes against</b>
1	Special Resolution for Approval for appointment of Mrs. Annapurna Dixit (DIN: 06844250) as Non-Executive and Independent Director of the Company	4263062	4262956 (99.997%)	106(0.002%)
2	Special Resolution for Approval for continuation of Mr. Charanjit Lal Handa (DIN: 00928283) as Non-Executive and Independent Director, on attainment of the age of Seventy-Five (75) Years	4263062	4262296(99.98%)	766(0.018%)
3	Special Resolution for Approval for continuation of Mr. Shashank (DIN: 01569514) as Non-Executive and Independent Director, on attainment of the age of Seventy-Five (75) Years	4263062	4262296(99.98%)	766(0.018%)

Mr. Ravi Sharma, Practicing Company Secretary was appointed as Scrutinizer for conducting the aforesaid Postal Ballots in a fair and transparent manner

**PROCEDURE FOR POSTAL BALLOT**

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

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

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

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

**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.

**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.bhartiyafashion.com](http://www.bhartiyafashion.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 "Investors Relation", 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.	<b>AGM: Date, Time and Mode:</b>	Day and Date: Tuesday, 29th September, 2020 Time: 02:00 p.m. Through Video Conferencing / Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.
2.	<b>Financial Calendar for 2020-21</b>	
	Financial year - April to March	
	Results for Quarter ending 30 <sup>th</sup> June 2020:	by 14 <sup>th</sup> of August, 2020
	Results for Quarter ending 30 <sup>th</sup> September 2020:	by 14 <sup>th</sup> of November, 2020
	Results for Quarter ending 31 <sup>st</sup> December 2020:	by 14 <sup>th</sup> of February, 2021
	Year ending 31 <sup>st</sup> March 2021:	by the 30 <sup>th</sup> of May, 2021
3.	Book Closure:	Wednesday the 23 <sup>rd</sup> September, 2020 to Tuesday the 29 <sup>th</sup> September, 2020 (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)

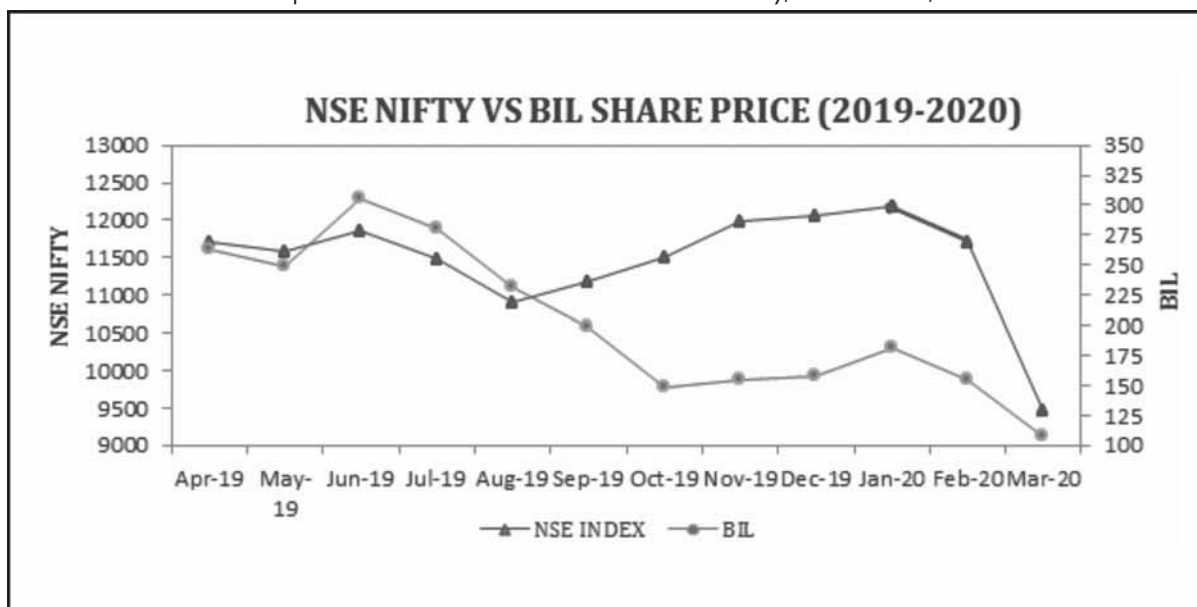
The Annual listing fee for the year 2020-21 has been duly paid to both the Stock Exchanges. Demat ISIN Number with NSDL & CDSL for Equity shares - INE 828A01016

Annual Custody Issuer fee for the financial year 2020-21 has been paid by the Company to NSDL and CDSL.

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

Months	BIL			Months	NSE Nifty		
	High (Rs.)	Low (Rs.)	Average (Rs.)		High (Rs.)	Low (Rs.)	Average (Rs.)
Apr-19	297.95	228.55	263.25	Apr-19	11856.15	11549.10	11702.63
May-19	294.50	201.80	248.15	May-19	12041.15	11108.30	11574.73
Jun-19	340.00	270.30	305.15	Jun-19	12103.05	11625.10	11864.08
Jul-19	320.00	241.00	280.50	Jul-19	11981.75	10999.40	11490.58
Aug-19	261.80	200.00	230.90	Aug-19	11181.45	10637.15	10909.30
Sep-19	221.00	174.80	197.90	Sep-19	11694.85	10670.25	11182.55
Oct-19	182.80	113.55	148.18	Oct-19	11945.00	11090.15	11517.58
Nov-19	173.00	136.05	154.53	Nov-19	12158.80	11802.65	11980.73
Dec-19	187.35	127.00	157.18	Dec-19	12293.90	11832.30	12063.10
Jan-20	203.00	160.45	181.73	Jan-20	12430.50	11929.60	12180.05
Feb-20	184.45	123.50	153.98	Feb-20	12246.70	11175.05	11710.88
Mar-20	144.50	69.45	106.98	Mar-20	11433.00	7511.10	9472.05

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



**7. Registrar & Share Transfer Agent : MAS Services Ltd.**

(For both Physical & Electronic Transfer etc.)

T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area,  
Phase-II, New Delhi - 110 020  
Tel. No. 26387281-83, Fax No. 26387384  
E-mail: [info@masserv.com](mailto:info@masserv.com)

**8. 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 1<sup>st</sup> April, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to 31<sup>st</sup> March, 2019 and have received the same under objection can reload the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

**9. Distribution of Shareholding as on 31<sup>st</sup> March 2020**

No. of Shares	Shareholders		Shareholding	
	Number	% to total	Number	% to total
Upto 500	4194	89.60	372964	3.06
501-1000	206	4.40	153862	1.26
1001-2000	86	1.83	123293	1.01
2001-3000	34	0.73	88243	0.72
3001-4000	28	0.60	98613	0.81
4001-5000	25	0.53	113704	0.93
5001-10000	42	0.90	307435	2.52
10001 & above	66	1.41	10943755	89.69
<b>Total</b>	<b>4681</b>	<b>100.00</b>	<b>12201869</b>	<b>100.00</b>

**10. Shareholding Pattern as on 31<sup>st</sup> March, 2020**

Category	No. of Share held	% of Paid up Capital
Promoters Holding	1483612	12.16
Persons acting in concert	4676037	38.32
Banks/Trusts/Financial Institutions	200	0.00
Central Government/State Government (IEPF)	43053	0.35
NRIs/OCBs/Foreign National/FII	1076256	8.82
Indian Corporate Bodies/LLPs	2276432	18.66
Indian Public (Individual and HUF)	2364326	19.38
Directors and relatives	44025	0.36
Clearing Members	237928	1.95
<b>Total</b>	<b>12201869</b>	<b>100.00</b>

**11. Top Ten Shareholders as on 31<sup>st</sup> March, 2020**

Sl. No.	Particulars	No. of Shares	% of Total Shares of the Company
1	Bhartiya Global Ventures Private Ltd.	2215100	18.15
2	Bhartiya Infotech Private Ltd.	1000000	8.20
3	TIMF Holdings	706474	5.79
4	Bhartiya Advisory Services Private Ltd.	681913	5.59
5	Superfine Carpets Private Ltd.	659266	5.40
6	Karuna Ventures Private Ltd.	400000	3.28
7	Girish Shankarlal Dhoot	315000	2.58
8	Share Point LLP	285500	2.34
9	Morgan Stanley Asia (Singapore) PTE.	278315	2.28
10	JM Financial Services Ltd.	234988	1.93

**12. Dematerialization of shares and liquidity share**

: As on 31<sup>st</sup> March, 2020, 99.08% 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 7695 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.12,2018690/-.

**14. Plant Locations**

: Bangalore, Chennai, Tada.

**15. Address for Correspondence**

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

Company Secretary and Compliance Officer  
Ms. Shilpa Budhia  
Bhartiya International Ltd.  
56/7, Nallambakkam Village,  
(Via Vandalur), Chennai –600 048. Tamil Nadu  
Tel No.: +91 9551050148/19/20/21  
E-mail: [shares@bhartiya.com](mailto: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.bhartiyafashion.com](http://www.bhartiyafashion.com))

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

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 49 to the Standalone Financial Statements and Note 40 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.bhartiyafashion.com](http://www.bhartiyafashion.com))

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

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

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.
- (i) The financial statements of the Company are with unmodified audit opinion.
- (ii) The Company is sending half yearly communication to its shareholders highlighting the financial and operational performance.

#### Insider Trading Code

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“The PIT Regulations”).

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

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

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

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

#### Code of Conduct

As per requirement of Regulation 17(5) of the SEBI Listing Regulations, with the Stock Exchanges, the Board has laid down a Code of Conduct (“the Code”) for all Board members and Senior Management Personnel of the Company. The Code is posted on the website of Bhartiya Group [www.bhartiyafashion.com](http://www.bhartiyafashion.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.



**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, NSDL and CDSL 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:

<b>Financial Year Ended</b>	<b>Date by which unclaimed dividend amount will be credited/ transferred to the "Investor Education and Protection Fund"</b>
31.03.2013	28.10.2020
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

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 43053 (0.35%) 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.

In view of the current extraordinary circumstances due to COVID-19 pandemic, the bulk mailing services of the Indian Postal Department is yet to fully resume on account of nationwide lock-down, hence the Company has not communicated individually to the concerned shareholders for claiming their aforesaid unclaimed dividends. However, as required under the IEPF Rules, the Company is in the process of publishing a Notice in the Newspapers informing the Members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

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:

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

### **Nomination Facility**

Your Company is pleased to offer the facility of nomination to members. Pursuant to Section 72 of the Companies Act, 2013, the members, who hold shares in the physical form and wish to avail nomination facility, are requested to send the duly complete nomination form, available on the website of the Company [www.bhartiyafashion.com](http://www.bhartiyafashion.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 Limited Code of Business Conduct and Ethics for the year ended 31<sup>st</sup> March, 2020.

Gurugram, 29<sup>th</sup> June, 2020

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 - 600048 (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, Tamil Nadu 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](http://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, 2020 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**

Delhi, 12th August, 2020

Sd/-  
**CS RAVI SHARMA**  
**PARTNER**  
**FCS NO. 4468, C.P. NO. 3666**  
**UDIN: F004468B000590306**

**CEO/CFO CERTIFICATION**

To  
The Board of Directors  
Bhartiya International Ltd

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, 2020 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, 2020 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, 29<sup>th</sup> June, 2020

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 Ltd.

We have examined the compliance of Conditions of Corporate Governance by Bhartiya International Ltd. ("the Company") for the financial year ended on 31st March, 2020 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: 20075701AAAAAP8147  
Gurugram, 12<sup>th</sup> August, 2020

# 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, 2020, 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 March 31, 2020, its Consolidated Profit and Consolidated Other Comprehensive Income, Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing 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.

Key Audit Matters	Auditor's Response
<p><b>Adoption of Ind AS 116</b></p> <p>As described in Note 52 to the Consolidated Financial Statements, the Group has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Group has a large number of leases with different contractual terms. Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgments and estimates including, determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 5.3 and Note 52 to the consolidated financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);</li> <li>Assessed the Group's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>Involved our specialists to evaluate the reasonableness of the discount rates applied in determining the lease liabilities;</li> <li>Upon transition as at 1 April, 2019: <ul style="list-style-type: none"> <li>Evaluated the method of transition and related adjustments;</li> <li>Tested completeness of the lease data by reconciling the Group's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> </ul> </li> <li>On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> <li>assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.</li> </ul> </li> <li>Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>

## Emphasis of Matter

We draw your attention to Note 54 to the Consolidated Financial Statements which states that the management has assessed that there is no significant impact on the Financial Statements ending as on 31st March, 2020, however, impact on subsequent period is highly dependent upon circumstances as they evolve. 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 204.25 crores as at 31st March, 2020, total revenues of Rs. 276.01 crore and net cash outflows amounting to 11.35 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 Loss aggregate to Rs 3.49 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 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March, 2020 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: 20075701AAAAAF1823

Gurugram, 29th June, 2020

## **ANNEXURE TO THE AUDITORS' REPORT**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2020, 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 31st March, 2020, 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: 20075701AAAAAF1823

Gurugram, 29th June, 2020

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020****Rs. in Lakhs**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>I Assets</b>			
<b>1 Non - Current Assets</b>			
(a) Property, Plant and Equipment	5	<b>10,759.10</b>	10,642.26
(b) Capital Work-in-Progress	5.1	<b>1,108.24</b>	997.49
(c) Right to Use Asset	5.3	<b>1,106.91</b>	-
(d) Investment in Property	6	<b>551.22</b>	562.13
(e) Goodwill		<b>25.25</b>	25.25
(f) Intangible Assets	7	<b>66.67</b>	133.37
(g) Investments Accounted for using Equity Method	8	<b>4,641.58</b>	12,347.17
(h) Financial Assets			
(i) Investments	9	<b>35.01</b>	0.01
(ii) Loans	10	<b>185.08</b>	196.87
(iii) Other Financial Assets	11	<b>5,203.21</b>	2,593.55
(i) Deferred Tax Assets		<b>21.24</b>	23.56
(j) Other Non-Current Assets	12	<b>77.88</b>	714.54
<b>2 Current Assets</b>			
(a) Inventories	13	<b>42,695.80</b>	40,103.47
(b) Financial Assets			
(i) Investments	14	-	-
(ii) Trade Receivables	15	<b>12,629.07</b>	12,308.53
(iii) Cash and Cash Equivalents	16	<b>4,934.88</b>	3,736.90
(iv) Bank Balances other than Cash & Cash Equivalents	17	<b>1,166.86</b>	800.49
(v) Loans	18	<b>208.03</b>	301.72
(vi) Others Financial Assets	19	<b>2,753.67</b>	4,259.52
(c) Current Tax assets (net)		<b>352.10</b>	59.34
(d) Other Current Assets	20	<b>1,924.70</b>	1,959.62
<b>TOTAL ASSETS</b>		<b>90,446.50</b>	91,765.79
<b>II Equity and Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	21	<b>1,220.19</b>	1,219.42
(b) Other Equity	22	<b>33,455.76</b>	38,276.25
<b>2 Liabilities</b>			
<b>Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	<b>5,925.92</b>	5,977.14
(ii) Other Financial Liabilities	24	<b>629.17</b>	153.18
(b) Provisions	25	<b>48.61</b>	136.47
(c) Other Non-Current Liabilities	26	<b>109.34</b>	27.83
(d) Deferred Tax Liabilities		<b>583.59</b>	1,005.45
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	<b>37,307.49</b>	31,519.06
(ii) Trade payables	28		
- Total outstanding dues of micro enterprises and small enterprises		<b>835.30</b>	943.14
- Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>6,884.22</b>	9,262.84
(iii) Other Financial Liabilities	29	<b>2,256.55</b>	2,182.89
(c) Provisions	30	<b>413.58</b>	356.15
(d) Other Current Liabilities	31	<b>217.62</b>	596.77
(e) Current Tax Liabilities (Net)		<b>559.16</b>	109.20
<b>TOTAL OF EQUITY AND LIABILITIES</b>		<b>90,446.50</b>	91,765.79
Significant Accounting Policies	4		
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, 2020

**Shilpa Budhia**

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

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. in Lakhs

Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	32	72,069.58	74,799.74
Other Income	33	435.50	1,198.07
<b>Total Income</b>		<u>72,505.08</u>	<u>75,997.81</u>
<b>EXPENSES</b>			
Cost of material consumed	34	32,426.79	34,190.80
Purchases of Stock-in-Trade		10,532.32	11,968.38
Change in Inventories of Finished Goods	35	(688.01)	(1,365.72)
Employee Benefits Expense	36	4,777.62	4,656.38
Finance Costs	37	2,491.33	3,053.31
Depreciation and Amortization Expense	38	998.01	812.70
Other expenses	39	19,056.78	19,830.78
<b>Total Expenses</b>		<u>69,594.84</u>	<u>73,146.63</u>
<b>Profit/ (Loss) before Share of net Profit/(Loss) of Associate</b>		<u>2,910.24</u>	<u>2,851.18</u>
Share of net profit/(Loss) of associates		(348.68)	80.35
<b>III Profit/ (Loss) before exceptional Items and tax</b>		<u>2,561.56</u>	<u>2,931.53</u>
Exceptional Items			
<b>Profit / (Loss) before tax</b>		2,561.56	2,931.53
<b>Tax Expenses</b>	40		
i Current tax		865.62	636.61
ii Deferred tax		(429.75)	318.13
<b>Profit / (Loss) for the year</b>		<u>2,125.69</u>	<u>1,976.79</u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be Reclassified to profit or Loss</b>			
Remeasurements of the defined benefit plans		40.08	2.60
Income tax relating to above items		(10.20)	0.38
<b>Total Comprehensive Income for the Year</b>		<u>2,155.57</u>	<u>1,979.77</u>
<b>Profit Attributable to :</b>			
Owners		2,127.31	1,979.04
Non-controlling Interests		(1.62)	(2.25)
<b>Other Comprehensive income Attributable to :</b>			
Owners		29.85	2.98
Non-controlling Interests		0.03	-
<b>Total Comprehensive income Attributable to :</b>			
Owners		2,157.16	1,982.02
Non-controlling Interests		(1.59)	(2.25)
<b>Earnings per equity share of Face Value</b>			
Basic (in Rs.)		17.67	16.25
Diluted (in Rs.)		17.61	16.11
Significant Accounting Policies	4		
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, 2020

**Shilpa Budhia**

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. in Lakhs

Equity Share Capital												
Particulars		Notes										Amount
Balance as at 31st March, 2018												1,218.13
Change in equity share capital during the year 2018-19		21.1										1.29
Balance as at 31st March, 2019												1,219.42
Change in equity share capital during the year 2019-20		21.1										0.77
Balance as at 31st March, 2020												1,220.19
Other Equity (Refer note no. 22 )												
Particulars		Reserves and Surplus								Total		
		Money Received Against Share Warrant	Employee Stock Options outstanding	Prferential 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 2018		390.75	246.81	535.00	149.81	196.07	8,470.77	7,737.38	3,106.53	15,450.05	(11.15)	36,272.02
Profit for the year					(2.25)					1,979.04		1,976.79
Other comprehensive income for the year											2.98	2.98
Securities premium on issue of share								60.82				60.82
Transfer from Retained Earning to General Reserve									200.00	(200.00)		-
Transfer to General reserve												-
Employee Stock Option Reserve for the year			35.98									35.98
Transfer to Security premium on issue of share			(55.65)									(55.65)
Dividends & Dividends distribution tax										(177.69)		(177.69)
Preferential Shares warrant forfeited		(390.75)		390.75								-
Currency Fluctuation Reserve						(17.58)						(17.58)
Share of Associate Prior period Profit Adj.										178.58		178.58
Capital Reserve created during the year												-
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)	38,276.25
Profit for the year					(1.62)					2,127.31		2,125.69
Other comprehensive income for the year					0.03						29.85	29.88
Securities premium on issue of share								36.26				36.26
Transfer from Retained Earning to General Reserve										(200.00)		(200.00)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

Particulars	Reserves and Surplus								Total	
	Money Received Against Share Warrant	Employee Stock Options outstanding	Preferential Share Warrant Forfeited	"Non-Controlling Interest"	Foreign Currency Translation Reserve (FCTR)	Capital Reserve	Securities Premium	General Reserve		Retained Earnings
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)	
Preferential Shares warrant forfeited										
Currency Fluctuation Reserve					517.51					517.51
Share of Associate Prior period Profit Adj.									(7,356.91)	
Capital Reserve created during the year										
<b>Balance as at 31st March 2020</b>	-	<b>230.97</b>	<b>925.75</b>	<b>145.97</b>	<b>696.00</b>	<b>8,470.77</b>	<b>7,834.46</b>	<b>3,506.53</b>	<b>11,623.63</b>	<b>21.68</b>
										<b>33,455.76</b>

### Component of other Equity 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".

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, 2020

### Shilpa Budhia

Company Secretary

### Raj Kumar Chawla

Chief Financial Officer

### Manoj Khattar

Whole Time Director

DIN: 00694981

### Ramesh Bhatia

Director

DIN: 0052320

**For and on behalf of the Board**

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. in Lakhs

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before tax as per statement of Profit and Loss</b>	<b>2,561.56</b>	<b>2,931.53</b>
<i>Adjustment for :</i>		
Share of (profit)/loss of Associates	<b>348.68</b>	(80.35)
Finance Cost	<b>2,491.33</b>	3,053.31
Depreciation and amortisation Expenses	<b>998.01</b>	812.70
Provision for Employee Stock Option Benefits	<b>37.01</b>	35.98
Loss/(Profit) on sale of Fixed Assets (net)	<b>(1.80)</b>	(0.23)
Loss/(Profit) on sale of Investments (net)	-	(45.80)
Rental Income	<b>(354.74)</b>	(394.57)
Dividend Income	-	(0.01)
Interest Income	<b>19.05</b>	(32.50)
Government grant Income	<b>(2.07)</b>	(2.07)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>6,058.93</b>	6,277.99
<i>Movements in working capital:</i>		
Increase/ (decrease) in trade payables	<b>(2,486.46)</b>	(4,780.45)
Increase/ (decrease) in other financial liabilities	<b>(1.90)</b>	(126.43)
Increase/ (decrease) in other liabilities	<b>(295.56)</b>	(213.19)
Increase/ (decrease) in provisions	<b>9.65</b>	179.98
Decrease/ (increase) in inventories	<b>(2,592.33)</b>	(5,778.03)
Decrease/ (increase) trade receivables	<b>(320.54)</b>	6,777.60
Decrease/ (increase) in loan	<b>105.48</b>	213.24
Decrease/ (increase) in other current financial assets	<b>1,505.85</b>	492.77
Decrease/ (increase) in other current assets	<b>22.53</b>	541.72
Decrease/ (increase) in other non-current assets	<b>82.76</b>	(2,094.36)
Decrease/ (increase) in other non-current financial assets	<b>(2,609.66)</b>	10.82
<b>Cash (used in) / generated from operations</b>	<b>(512.25)</b>	1,501.66
Income tax paid (Net)	<b>(708.22)</b>	(680.51)
Currency Flucation reserve consolidation	<b>517.51</b>	(17.58)
<b>Net cash (used in)/ generated from operating activities - (A)</b>	<b>(711.96)</b>	803.57
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	<b>(1,038.03)</b>	(1,047.81)
Capital advance/Capital creditors (net)	<b>(42.45)</b>	(16.16)
Proceeds from sale of fixed assets	<b>6.32</b>	6.44
Purchase of Non-current investments(net)	<b>(35.00)</b>	644.69
Dividend income on current investments	-	0.01
Security deposit	<b>(57.29)</b>	17.50
Rental Income	<b>354.74</b>	394.57
Interest income	<b>19.05</b>	32.50
Fixed Deposit with bank	<b>(366.37)</b>	(107.25)
<b>Net cash from/ (used in) Investing Activities - (B)</b>	<b>(1,159.03)</b>	(75.51)

**CONSOLIDATED STATEMENT OF CASH FLOW (CONTD.)**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings (net)	<b>11.25</b>	1,231.99
Proceeds from short-term borrowings (net)	<b>5,788.43</b>	2,294.78
Payment of lease Liability	<b>(114.84)</b>	-
Share Capital including securities premium	<b>3.85</b>	6.46
Interest and processing fees paid (net)	<b>(2,442.97)</b>	(3,053.31)
Dividend paid (including dividend tax)	<b>(176.75)</b>	(177.69)
<b>Net cash from/ (used in) financing activities - (C)</b>	<b><u>3,068.97</u></b>	<u>302.23</u>
<b>Net increase / (decrease) in cash and cash equivalents - (A+B+C)</b>	<b>1,197.98</b>	1,030.29
Cash and cash equivalents as at beginning of the year	<b>3,736.90</b>	2,706.61
<b>Cash and cash equivalents as at the end of the year</b>	<b><u>4,934.88</u></b>	<u>3,736.90</u>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	<b>40.05</b>	25.05
Balances with scheduled banks:		
In current accounts	<b>2,591.74</b>	3,235.76
In deposit accounts	<b>2,303.09</b>	476.09
<b>Cash and cash equivalents in cash flow statement</b>	<b><u>4,934.88</u></b>	<u>3,736.90</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, 2020

**Shilpa Budhia**

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 Ltd. company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Holding Company and its subsidiaries (hereinafter referred to as "the Group") is engaged in the business of manufacturing and trading of leather products & textile products. The Holding Company has its registered office at Chennai and its corporate office at 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

#### Computer Software

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

#### Amortisation Method and Useful Life

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

### 4.4 Lease

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 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.

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

### **Derecognition**

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

### **Derivative Instruments:**

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

### **4.9 Provision and Contingent Liabilities**

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

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

### **4.10 Revenue Recognition**

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

#### **Revenue from Services**

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

#### **Other Operating Revenue - Export Incentives**

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

#### **Interest Income**

Interest income is recognised 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	
<b>Gross Carrying Amount</b>								
Balance as at 31st March, 2018	255.70	3,912.95	4,653.28	499.48	220.69	318.45	168.32	10,028.87
Addition	-	1,315.73	1,018.46	48.43	8.97	39.91	29.52	2,461.02
Disposal				38.93	2.89		15.07	56.89
<b>Balance as at 31st March, 2019</b>	<b>255.70</b>	<b>5,228.68</b>	<b>5,671.74</b>	<b>508.98</b>	<b>226.77</b>	<b>358.36</b>	<b>182.77</b>	<b>12,433.00</b>
Addition	-	41.80	704.47	81.42	17.11	41.63	27.31	913.74
Disposal	-		4.61		7.79			12.40
<b>Balance as at 31st March, 2020</b>	<b>255.70</b>	<b>5,270.48</b>	<b>6,371.60</b>	<b>590.40</b>	<b>236.09</b>	<b>399.99</b>	<b>210.08</b>	<b>13,334.34</b>
<b>Accumulated Depreciation</b>								
Balance as at 31st March, 2018	-	307.51	486.08	105.61	46.41	89.98	76.20	1,111.79
Addition	-	145.50	374.33	73.92	31.65	48.40	44.88	718.68
Disposal				33.56	2.04		4.13	39.73
<b>Balance as at 31st March, 2019</b>	<b>-</b>	<b>453.01</b>	<b>860.41</b>	<b>145.97</b>	<b>76.02</b>	<b>138.38</b>	<b>116.95</b>	<b>1,790.74</b>
Addition	-	168.48	424.80	77.85	31.50	50.91	38.84	792.38
Disposal			1.80		6.08			7.88
<b>Balance as at 31st March, 2020</b>	<b>-</b>	<b>621.49</b>	<b>1,283.41</b>	<b>223.82</b>	<b>101.44</b>	<b>189.29</b>	<b>155.79</b>	<b>2,575.24</b>
<b>Net Carrying Amount</b>								
Balance as at 31st March, 2019	255.70	4,775.67	4,811.33	363.01	150.75	219.98	65.82	10,642.26
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

#### 5.1 Capital Work in Progress

Rs. in Lakhs

<b>31st March, 2019</b>	<b>997.49</b>
<b>31st March, 2020</b>	<b>1,108.24</b>

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
<b>Gross Carrying Amount</b>			
Balance as at 31st March, 2018	-	-	-
Addition	-	-	-
Disposal	-	-	-
Balance as at 31st March, 2019			
Addition	532.34	689.06	1,221.40
Disposal	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>532.34</b>	<b>689.06</b>	<b>1,221.40</b>
<b>Accumulated Depreciation</b>			
Balance as at 31st March, 2018			
Addition	-	-	-
Disposal	-	-	-
Balance as at 31st March, 2019			
Addition	12.64	101.85	114.49
Disposal	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>12.64</b>	<b>101.85</b>	<b>114.49</b>
<b>Net carrying Amount</b>			
Balance as at 31st March, 2019	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>519.70</b>	<b>587.21</b>	<b>1,106.91</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

### 6. INVESTMENT PROPERTIES

Rs. in Lakhs

Particulars	Land & Building
<b>Gross Carrying amount</b>	
<b>Balance as at 31st March, 2018</b>	589.92
Addition	4.93
Disposal	
<b>Balance as at 31st March, 2019</b>	<u><b>594.85</b></u>
Addition	
Disposal	
<b>Balance as at 31st March, 2020</b>	<u><b>594.85</b></u>
<b>Accumulated Deprecation</b>	
<b>Balance as at 31st March, 2018</b>	21.81
Addition	10.91
Disposal	
<b>Balance as at 31st March, 2019</b>	<u><b>32.72</b></u>
Addition	10.91
Disposal	
<b>Balance as at 31st March, 2020</b>	<u><b>43.63</b></u>
<b>Net Carrying Amount</b>	
<b>Balance as at 31st March, 2019</b>	562.13
<b>Balance as at 31st March, 2020</b>	551.22
<b>Fair Value</b>	
<b>As at 31st March, 2019</b>	3,443.27
<b>As at 31st March, 2020</b>	<b>3,441.73</b>

#### 6.1 INVESTMENT PROPERTIES

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Rental income derived from investment properties	<b>253.35</b>	283.53
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
<b>Income Arising from Investment Properties before Depreciation</b>	<u><b>253.35</b></u>	<u>283.53</u>
Depreciation	<b>10.91</b>	10.91
<b>Income from Investment Properties (Net)</b>	<u><b>242.44</b></u>	<u>272.62</u>

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

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Not later than one year	<b>254.25</b>	137.08
Later than one year and not later than five years	<b>969.73</b>	22.90
<b>Later than five years</b>	<u><b>951.66</b></u>	<u>34.00</u>

#### 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	Total
<b>Gross Carrying Amount</b>			
Balance as at 31st March, 2018	7.99	269.31	277.30
Addition	-	40.44	40.44
Disposal	-	-	-
<b>Balance as at 31st March, 2019</b>	<u>7.99</u>	<u>309.75</u>	<u>317.74</u>
Addition	-	13.53	13.53
Disposal	-	-	-
<b>Balance as at 31st March, 2020</b>	<u>7.99</u>	<u>323.28</u>	<u>331.27</u>
<b>Accumulated Depreciation</b>			
Balance as at 31st March, 2018	0.23	101.03	101.26
Addition	7.76	75.35	83.11
Disposal	-	-	-
<b>Balance as at 31st March, 2019</b>	<u>7.99</u>	<u>176.38</u>	<u>184.37</u>
Addition	-	80.23	80.23
Disposal	-	-	-
<b>Balance as at 31st March, 2020</b>	<u>7.99</u>	<u>256.61</u>	<u>264.60</u>
<b>Net Carrying Amount</b>			
<b>Balance as at 31st March, 2019</b>	-	133.37	133.37
<b>Balance as at 31st March, 2020</b>	-	66.67	66.67

### 8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Particulars	No. of Shares/Units	As at 31st March, 2020	No. of Shares/Units	As at 31st March, 2019
<b>Investments in Associates (Unquoted at Cost )</b>				
(a) Investment in Associate Company #				
Equity Shares	<b>34,393,260</b>	<b>4,641.58</b>	34,393,260	12,347.17
		<u><b>4,641.58</b></u>		<u>12,347.17</u>
<b>#Particulars of Investment in associate company</b>				
<b>A) Bhartiya Urban Pvt. Ltd. (Formerly known as Bhartiya City Developers Pvt. Ltd.)</b>				
% of ownership interest		<b>36.77%</b>		36.77%
Cost of Acquisition		<b>3,782.56</b>		3,782.56
Share of Pre Acquisition Reserves & Surplus		<b>8,424.17</b>		8,424.17
Share of Post Acquisition Reserves & Surplus		<b>(7,564.47)</b>		141.12
Carrying Value		<u><b>4,642.26</b></u>		<u>12,347.85</u>
<b>B) TADA Mega Leather Cluster Pvt. Ltd.</b>				
% of ownership interest		<b>50.00%</b>		50.00%
Cost of Acquisition		<b>0.50</b>		0.50
Share of Post Acquisition Reserves & Surplus		<b>(1.18)</b>		(1.18)
Carrying Value		<u><b>(0.68)</b></u>		<u>(0.68)</u>
		<u><b>4,641.58</b></u>		<u>12,347.17</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

### 9. NON-CURRENT INVESTMENTS

Rs. in Lakhs

Particulars	As on 31st March, 2020		As on 31st March, 2019	
	Units/ Share (No.)	Amount (Rs.)	Units/ Share (No.)	Amount (Rs.)
<b>A Investments in Mutual Funds (Unquoted)</b>				
<b>At Fair value through Profit and loss</b>				
i) Reliance ETF Liquid BeES	1.093	0.01	1.061	0.01
		<u>0.01</u>		<u>0.01</u>
<b>B Investments in Equity Shares (Unquoted)</b>				
<b>At Fair value through Profit and loss</b>				
i) Pallavaram Tanners Industrial Effluent Treatment co. Ltd.	31,525	35.00		-
<b>Total (A+B)</b>		<u>35.01</u>		<u>0.01</u>
<b>Aggregate amount of unquoted Investments</b>		<b>35.01</b>		0.01
<b>Aggregate amount of impairment in value of unquoted Investments</b>		-		-

### 10. NON-CURRENT LOAN

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured & Considered Good)		
(a) Security and Other Deposits	144.90	135.89
(b) Loan to Employee	40.18	60.98
<b>TOTAL</b>	<u>185.08</u>	<u>196.87</u>

### 11. OTHER NON CURRENT FINANCIAL ASSETS

(a) Other Advances	5,203.21	2,593.55
<b>TOTAL</b>	<u>5,203.21</u>	<u>2,593.55</u>

### 12. OTHER NON CURRENT ASSETS

(a) Capital Advances	57.88	91.63
(b) Security Deposit with Govt.Authority	8.63	96.18
(c) Prepaid Expenses	1.20	1.80
(d) Prepayment Lease Rent	10.17	524.93
<b>TOTAL</b>	<u>77.88</u>	<u>714.54</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****13. INVENTORIES**

Particulars	Rs. in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
(a) Raw Materials	28,127.39	28,409.29
(b) Raw Materials -In transit	141.64	80.98
(c) Stock-in-Progress	2,197.63	1,257.54
(d) Finished Goods	8,672.89	7,994.36
(e) Consumable Store	3,556.25	2,361.30
<b>TOTAL</b>	<b>42,695.80</b>	<b>40,103.47</b>

**14. CURRENT INVESTMENT**

Particulars	As at 31st March, 2020		As on 31st March, 2019	
	Shares (No)	Amount (Rs)	Shares (No)	Amount (Rs)
<b>A Investment In Equity Instrument (Unquoted)</b>				
<b>At Fair value through Profit and Loss</b>				
i) Sai Rayalaseema Paper Mills Ltd.	31,792	-	31,792	-
		-		-
<b>Aggregate amount of unquoted Investments</b>		-		-

**15. TRADE RECEIVABLES**

Particulars	As at	
	31st March, 2020	31st March, 2019
(Unsecured, considered good)		
(a) Trade Receivable	12,629.07	12,308.53
(b) Receivable from related parties	-	-
<b>TOTAL</b>	<b>12,629.07</b>	<b>12,308.53</b>

**16. CASH AND CASH EQUIVALENT**

a) Balances with Banks- in current A/c		
In current accounts	2,591.74	3,235.76
In deposit accounts	2,303.09	476.09
b) Cash on Hand	40.05	25.05
<b>TOTAL</b>	<b>4,934.88</b>	<b>3,736.90</b>

**17. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

a) Fixed Deposit with the bank	1,158.33	791.84
b) Unclaimed dividend accounts	8.53	8.65
<b>TOTAL</b>	<b>1,166.86</b>	<b>800.49</b>

Fixed deposits of Rs.1158.33 lacs (previous year Rs 791.84 lacs ) are pledged with the banks for various limits and facilities granted.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****18. CURRENT LOAN****Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(Unsecured & Considered Good)		
(a) Security and Other Deposits	<b>49.88</b>	72.05
(b) Loan to Employee	<b>158.15</b>	229.67
<b>TOTAL</b>	<b><u>208.03</u></b>	<u>301.72</u>

**19. OTHER CURRENT FINANCIAL ASSETS**

a) Export incentive receivable	<b>1,471.69</b>	1,363.68
b) Insurance claim receivable	<b>139.56</b>	132.22
c) Vat /GST receivable	<b>1,142.24</b>	2,201.03
d) Other Advance	<b>0.18</b>	22.77
e) Forward Contract Assets	-	539.82
<b>TOTAL</b>	<b><u>2,753.67</u></b>	<u>4,259.52</u>

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

**20. OTHER CURRENT ASSETS**

a) Advances with Suppliers	<b>1,596.03</b>	1,465.24
b) Prepaid Expenses	<b>309.88</b>	283.74
c) Security Deposit with Govt. Authority	<b>0.18</b>	2.12
d) Mat Credit Entitlement	<b>14.58</b>	16.69
e) Other Advances	<b>3.60</b>	179.21
f) Prepayment Lease Rent	<b>0.43</b>	12.62
<b>TOTAL</b>	<b><u>1,924.70</u></b>	<u>1,959.62</u>

**21. SHARE CAPITAL****Authorised Share Capital**

a) 20,000,000 (31st March, 2019: 20,000,000) Equity Shares of Rs. 10/- each	<b>2,000.00</b>	2,000.00
b) 500,000 (31st March, 2019: 500,000) Preference Shares of Rs. 100/- each	<b>500.00</b>	500.00
	<b><u>2,500.00</u></b>	<u>2,500.00</u>

**Issued, Subscribed & Paid up :**

a) 12,201,869 (31st March, 2019: 12,194,174) Equity Shares of Rs. 10/- each fully paid Up.	<b>1,220.19</b>	1,219.42
<b>TOTAL</b>	<b><u>1,220.19</u></b>	<u>1,219.42</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

**Rs. in Lakhs**

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	12,194,174	1,219.42	12,181,254	1,218.13
Shares Issued during the year	7,695	0.77	12,920	1.29
Shares outstanding at the end of the year	12,201,869	1,220.19	12,194,174	1,219.42

21.2 The details of Shareholders holding more than 5% shares

Name of the Share holders	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehdeep Aggarwal	1,143,362	9.37	1,143,362	9.38
(b) Bhartiya Infotech Pvt. Ltd.	1,000,000	8.20	1,000,000	8.20
(c) Bhartiya Global Ventures Pvt. Ltd.	2,215,100	18.15	1,850,000	15.17
(d) Bhartiya Advisory Services Pvt. Ltd.	681,913	5.59	681,926	5.59
(e) TIMF Holdings	706,474	5.79	706,474	5.79
(f) Superfine Carpets Pvt.Ltd.	659,266	5.40	1,256,244	10.30

21.3 Shares Reserved for issue under options

Particulars	As at 31st March, 2020 No. of Shares	As at 31st March, 2019 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	91,823	99,518

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

**Rs. in Lakhs**

Particulars	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
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.	7,695	12,920	40,309	27,097	-

21.5 The Company has only one class of equity shares having a par values of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion of the number of equity share held by the shareholders. .

21.6 During the Year, the company has allotted 7,695 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).

### 22. Other Equity

Particulars	Rs. in Lakhs									
	Money Received Against Share Warrant outstanding	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)
<b>Balance as at 31st March, 2018</b>	<b>390.75</b>	<b>246.81</b>	<b>535.00</b>	<b>149.81</b>	<b>196.07</b>	<b>8,470.77</b>	<b>7,737.38</b>	<b>3,106.53</b>	<b>15,450.05</b>	<b>(11.15)</b>
Profit for the year	-	-	-	(2.25)	-	-	-	-	1,979.04	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	2.98
Securities premium on issue of share	-	-	-	-	-	-	60.82	-	-	-
Transfer from Retained Earning to General Reserve	-	-	-	-	-	-	-	-	(200.00)	-
Transfer to General reserve	-	-	-	-	-	-	-	200.00	-	-
Employee Stock Option Reserve for the year	-	35.98	-	-	-	-	-	-	-	-
Transfer to Security premium on issue of share	-	(55.65)	-	-	-	-	-	-	-	-
Dividends & Dividends distribution tax	-	-	-	-	-	-	-	-	(177.69)	-
Preferential Shares warrant forfeited	(390.75)	-	390.75	-	-	-	-	-	-	-
Currency Fluctuation Reserve	-	-	-	-	(17.58)	-	-	-	-	-
Share of Associate Prior period Profit Adj.	-	-	-	-	-	-	-	-	178.58	-
<b>Balance as at 31st March, 2019</b>	<b>-</b>	<b>227.14</b>	<b>925.75</b>	<b>147.56</b>	<b>178.49</b>	<b>8,470.77</b>	<b>7,798.20</b>	<b>3,306.53</b>	<b>17,229.98</b>	<b>(8.17)</b>
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)	-
Preferential Shares warrant forfeited	-	-	-	-	-	-	-	-	-	-
Currency Fluctuation Reserve	-	-	-	-	517.51	-	-	-	-	-
Share of Associate Prior period Profit Adj.	-	-	-	-	-	-	-	-	(7,356.91)	-
<b>Balance as at 31st March, 2020</b>	<b>-</b>	<b>230.97</b>	<b>925.75</b>	<b>145.97</b>	<b>696.00</b>	<b>8,470.77</b>	<b>7,834.46</b>	<b>3,506.53</b>	<b>11,623.63</b>	<b>21.68</b>
<b>36,272.02</b>										<b>33,455.76</b>

### Note:

22.1 This represents group's share of loss in associate M/s Bhartiya Urban Pvt. Ltd. (Formerly known as Bhartiya City Developers Pvt. Ltd.) 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).****23. NON-CURRENT BORROWINGS****Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>Secured</b>		
- Term Loans from Banks	<b>5,888.00</b>	5,927.40
- Vehicle Loans from Banks	<b>37.92</b>	49.74
<b>TOTAL</b>	<b><u>5,925.92</u></b>	<b><u>5,977.14</u></b>

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

	<b>Nature of Security</b>	<b>Terms of Repayment</b>
23.1	Term Loans from HDFC Bank, balance outstanding amounting to Rs 161.77 lacs (31st March, 2019 Rs. 323.56 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 15 Quarterly Installment starting from September 2017. Last installment due in March 2021. Rate of interest 10.25 % p.a. as at year end (previous year - 10.25 %)
23.2	Term Loans from HDFC Bank, subsequent disbursement , balance outstanding amounting to Rs 36.84 lacs (31st March, 2019 Rs. 73.68 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 15 Quarterly Installment starting from September 2017. Last installment due in March 2021. Rate of interest 10.25 % p.a. as at year end (previous year - 10.25 %)
23.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 350.00 lacs (31st March, 2019 is Rs. 490.00 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 repayable in 20 quarterly Installment starting from Nov 2017. Last installment due in Aug 2022. Rate of Interest 9.35 % p.a. as at year end (Previous Year 9.35 %)
23.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 1994.10 lacs (31st March, 2019 is Rs.2228.70 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 May 2028. Rate of Interest 9.35 % p.a. as at year end (Previous Year 9.35 %.)
23.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 128.69 lacs (31st March, 2019 is Rs. 180.17 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 repayable in 19 quarterly Installment starting from Feb 2018. Last installment due in Aug 2022. Rate of Interest 9.40% p.a. as at year end (Previous Year 9.40%)
23.6	Term Loan from Yes Bank, balance outstanding amounting to Rs. 258.40 lacs (31st March, 2019 Rs. nil 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 repayable in 20 Quarterly Installment starting from July 2019. Last installment due in April 2024. Rate of interest 10.35 % p.a. as at year end.
23.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 300.00 Lacs (31st March, 2019 Rs. 400.00) 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 repayable in 20 Quarterly Installment starting from June 2018. Last installment due in Mar 2023. Rate of interest 10.35 % p.a. as at year end (previous year - 10.50 %)
23.8	Term Loans from Indsind Bank, balance outstanding amounting to Rs 127.30 lacs (31st March, 2019 Rs. 169.52 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 61 Monthly Installment starting from March 2018. Last installment due in March 2023. Rate of interest 10.40 % p.a. as at year end (previous year - 10.40%)



## 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
23.9	Term Loans from Indusand Bank, balance outstanding amounting to Rs 2947.66 lacs (31st March, 2019 Rs.2752.25 lacs ) is secured by Exclusive charge on undergone project and Cash Flows, receivables, book debts and revenue of the company.	The Loan is repayable in 16 Quarterly Installment starting from March 2022. Last installment due in December 2025. Rate of interest 4.19 % p.a. as at year end
23.10	Term Loans from Deutsche Bank, balance outstanding amounting to Rs lacs 38.56 Lacs (March 31,2019 Rs. 108.78 lacs ) is secured by Exclusive charge Cash Flows, receivables, book debts and revenue of the company.	The Loan is repayable 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
23.11	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

### 24. OTHER NON-CURRENT FINANCIAL LIABILITIES

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Security Deposit with Related Parties	95.89	153.18
(b) Lease Liability	533.28	-
<b>TOTAL</b>	<b>629.17</b>	<b>153.18</b>

### 25. NON-CURRENT PROVISION

(a) Provision for Employees Benefit	48.61	136.47
<b>TOTAL</b>	<b>48.61</b>	<b>136.47</b>

### 26. OTHER NON-CURRENT LIABILITIES

(a) Government Grant	25.63	27.71
(b) Advance Lease Rent	83.71	0.12
<b>TOTAL</b>	<b>109.34</b>	<b>27.83</b>

### 27. CURRENT BORROWING

#### Secured

- Working Capital Loans From Banks	37,307.49	31,519.06
<b>TOTAL</b>	<b>37,307.49</b>	<b>31,519.06</b>

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.

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

### 28. TRADE PAYABLE

(a) Payable to Micro and Small Enterprises	835.30	943.14
(b) Payable to others than Micro and Small Enterprises	6,884.22	9,262.84
<b>TOTAL</b>	<b>7,719.52</b>	<b>10,205.98</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****29. OTHER CURRENT FINANCIAL LIABILITIES****Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Current maturities of Long -Term Debt	<b>859.37</b>	796.90
(b) Interest Accrued	<b>124.92</b>	101.67
(c) Unpaid Dividend	<b>8.53</b>	8.65
(d) Due to Employee	<b>384.29</b>	430.34
(e) Expenses Payable	<b>180.21</b>	420.21
(f) Statutory Dues Payable	<b>136.42</b>	192.75
(g) Capital Payables	<b>9.20</b>	85.40
(h) Other Payable	<b>60.64</b>	146.97
(i) Derivatives-Foreign Exchange Forward Contract	<b>403.68</b>	-
(j) Lease Liability	<b>89.29</b>	-
<b>TOTAL</b>	<b><u>2,256.55</u></b>	<u>2,182.89</u>

**30. PROVISIONS**

(a) Provision for Employees Benefits	<b>413.58</b>	356.15
<b>TOTAL</b>	<b><u>413.58</u></b>	<u>356.15</u>

**31. OTHER CURRENT LIABILITIES**

(a) Advance from Customer	<b>217.62</b>	588.78
(b) Advance Lease Rent	-	7.99
<b>TOTAL</b>	<b><u>217.62</u></b>	<u>596.77</u>

**32. REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>Sales of products</b>		
(a) Sales Manufactured Goods	<b>54,979.03</b>	47,367.29
(b) Sales Stock-in-Trade	<b>12,833.16</b>	23,807.81
<b>Sales of Services</b>	<b>1,356.59</b>	272.72
<b>Other Operating Revenues</b>		
(a) Export Incentives	<b>3,306.99</b>	3,516.30
(b) Foreign Exchange Gain/(Loss)	<b>(406.19)</b>	(164.38)
<b>TOTAL</b>	<b><u>72,069.58</u></b>	<u>74,799.74</u>

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

<b>33. OTHER INCOME</b>	<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
(a) Interest Income from Loans & advances	<b>19.05</b>	32.50
(b) Dividend Income from Current Investment	-	0.01
(c) Other non operating income		
- Profit on sale of Current Investments(Net)	-	45.80
- Rental Income	<b>354.74</b>	394.57
- Profit on sale of Fixed Assets	<b>1.80</b>	0.40
- Other Income	<b>59.91</b>	724.79
<b>TOTAL</b>	<b><u>435.50</u></b>	<b><u>1,198.07</u></b>
<b>34. COST OF MATERIALS CONSUMED</b>		
Opening Stock	<b>30,851.56</b>	26,418.35
Add : Purchases	<b><u>34,341.09</u></b>	<b><u>38,624.01</u></b>
	<b>65,192.65</b>	65,042.36
Less : Closing Stock	<b>32,765.86</b>	30,851.56
<b>TOTAL</b>	<b><u>32,426.79</u></b>	<b><u>34,190.80</u></b>
<b>35. CHANGE IN INVENTORIES OF FINISHED GOODS</b>		
Opening Stock	<b>7,985.81</b>	6,628.64
Closing Stock	<b>8,673.82</b>	7,994.36
<b>Decrease/(Increase)</b>	<b><u>(688.01)</u></b>	<b><u>(1,365.72)</u></b>
<b>36. EMPLOYEE BENEFIT EXPENSES</b>		
(a) Salary & Allowances	<b>4,196.32</b>	4,082.18
(b) Contribution to Provident & Other fund	<b>334.94</b>	298.88
(c) Staff Welfare Expenses	<b>209.35</b>	239.34
(d) Employee Stock Option Plan	<b>37.01</b>	35.98
<b>TOTAL</b>	<b><u>4,777.62</u></b>	<b><u>4,656.38</u></b>
<b>37. FINANCE COST</b>		
(a) Interest Expense- Net	<b>1,869.30</b>	2,406.04
(b) Borrowing Cost	<b>226.32</b>	394.47
(c) Exchange difference regarded as an adjustment to borrowing cost	<b>395.71</b>	252.80
<b>TOTAL</b>	<b><u>2,491.33</u></b>	<b><u>3,053.31</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****38. DEPRECIATION AND AMORTISATION****Rs. in Lakhs**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
(a) Depreciation on Property Plant and Equipment	<b>792.38</b>	718.68
(b) Amortisation on Intangible Assets	<b>80.23</b>	83.11
(c) Depreciation on Investment on Properties	<b>10.91</b>	10.91
(d) Amortisation on Right of use Assets	<b>114.49</b>	-
<b>TOTAL</b>	<b><u>998.01</u></b>	<u>812.70</u>

**39. OTHER EXPENSES****(i) Manufacturing Expenses**

(a) Fabrication Charges	<b>11,833.18</b>	12,000.18
(b) Other Manufacturing Expenses	<b>448.83</b>	439.96
(c) Freight & Cartage	<b>100.18</b>	136.86

**(ii) Selling & Administrative Expenses**

(a) Legal And Professional Charges	<b>1,431.11</b>	1,070.17
(b) Power & Fuel	<b>347.75</b>	356.48
(c) Bank Charges	<b>391.15</b>	470.38
(d) Repair & Maintenance		
- Building	<b>53.72</b>	67.78
- Plant & Machinery	<b>131.13</b>	134.23
- Others	<b>568.30</b>	589.21
(e) Communication	<b>100.08</b>	107.96
(f) Rates Taxes & Duties	<b>50.48</b>	44.81
(g) Insurance	<b>95.62</b>	74.52
(h) Rent	<b>104.82</b>	385.08
(i) Travelling & Conveyance	<b>940.04</b>	1,327.35
(j) Freight on Exports	<b>843.21</b>	996.68
(k) Commission, Brokerage & Discount	<b>467.98</b>	395.14
(l) Loss on Sale /Discard of Fixed Assets	-	0.17
(m) Misc. Expenses	<b>951.98</b>	704.86
(n) Expenditure towards CSR activities	<b>39.88</b>	9.97
(o) Directors Meeting Fees	<b>4.35</b>	2.73
(p) Packing Expenses	<b>113.75</b>	349.63
(q) Bad Debts	-	128.04
(r) Auditors Remuneration	<b>39.24</b>	38.59
<b>TOTAL</b>	<b><u>19,056.78</u></b>	<u>19,830.78</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****40. TAX EXPENSES****Rs. in Lakhs**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>I) Current Tax</b>		
(a) Current Income Tax	<b>865.82</b>	636.61
(b) Mat Credit Entitlement	<b>(0.20)</b>	-
	<b><u>865.62</u></b>	<u>636.61</u>
<b>II) Deferred Tax</b>		
(a) Related To origination & reversal of temporary differences	<b>(429.75)</b>	318.13
	-	-
Income tax expenses reported in statement of profit and loss	<b><u>435.87</u></b>	<u>954.74</u>
Effective Income Tax Rate	<b><u>17.02%</u></b>	<u>32.57%</u>

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

Accounting profit before tax	2,561.56	2,931.53
<b>Statutory income tax rate</b>	25.168%	34.944%
Computed tax expenses	644.69	1,024.39
Tax in respect of earlier years	(0.28)	8.62
Impact of adoption of New Tax Regime u/s 115BAA	(260.15)	-
Long term capital gain exempt for taxation	-	(16.00)
Income exempt from taxation	-	-
Non taxable/ differential tax rate of subsidiaries	(32.36)	(42.18)
Impact of share of profit/(loss) of associates	87.75	(28.08)
Dudction under section 24 of income tax act	(19.36)	(29.62)
Non-Dudctable expenses for tax purpose	15.58	37.61
<b>Income tax charge to statement of profit and loss account</b>	<b><u>435.87</u></b>	<u>954.74</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****41. CONTINGENT LIABILITIES****Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
i) Letter of Credit / Import Bills outstanding -	<b>405.71</b>	834.69
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	<b>8,962.63</b>	9,257.58
- World Fashion Trade Ltd.	-	242.06
iii) Bill Discounted with Bank	-	400.58
iii) Other Guarantee given by bank	-	20.85
iv) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia & World Fashion Trade Ltd.	<b>416.40</b>	388.40
v) Karnataka Vat Demand Under dispute	<b>56.60</b>	56.60
vii) TNVAT demand under dispute	-	525.32
viii) Corporate Guarantee executed by the subsidiary company to bank against facilities granted by bank to parent company	-	2,400.00

**41.1 Capital and Other Commitments**

i) Estimated value of contract remaining to be executed on capital Account and not provided for	-	173.45
ii) Commitments under import of capital goods at concessional rate of custom duty.	-	12.22

**42. EMPLOYEE BENEFITS PLANS**

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

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

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	<b>211.74</b>	203.27
b) Employees State Insurance Corporation	<b>3.91</b>	6.85

**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:**

<b>Principal Assumptions</b>	<b>Gratuity</b>	
	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Expected return on plan assets	<b>0.07</b>	0.08
Discount rate	<b>0.07</b>	0.08
Salary increase rate	<b>3% for two year and 6% thereafter</b>	0.06
Employee turnover	<b>0.05</b>	0.05
In service mortality	<b>IALM (2012-14)</b>	IALM (2006-08)

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

Particulars	Gratuity	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Current Service Cost	62.47	52.28
Net Interest Expenses	9.54	10.16
Past Service Cost	-	-
<b>Components of defined benefit costs recognised in profit or Loss</b>	<b>72.01</b>	<b>62.44</b>
Re-measurement on the Net Defined Benefit liability:		
Actuarial (gains)/ losses on obligation for the year	(43.03)	(0.64)
Return On Plan Assets	2.96	(6.02)
<b>Net(Income)/Expenses for the year ended recognized in OCI</b>	<b>(40.07)</b>	<b>(6.66)</b>

**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, 2020	As at 31st March, 2019
Present Value of Defined Benefit Obligation	403.87	394.96
Fair Vale of Plan Asset	(317.66)	(258.16)
<b>Net Liability arising from Defined Benefit Obligation</b>	<b>86.21</b>	<b>136.80</b>

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

Rs. in Lakhs

Particulars	Gratuity	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Opening Defined Obligation	394.97	357.45
Interest Cost	9.54	27.89
Current Service Cost	62.47	52.28
Past Service Cost	-	-
Benefits Paid Directly by the employer	(38.20)	(42.01)
Actuarial (gains)/ Losses	(43.03)	(0.64)
Closing Defined Benefit Obligation	385.75	394.97

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

<b>Particulars</b>	<b>Gratuity</b>	
	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Opening fair Value of Plan Assets *	<b>258.15</b>	228.47
Interest Income	<b>19.58</b>	17.72
Contribution by the Employer	<b>88.20</b>	10.00
Return on Plan Assets Excluding Interest Income	<b>(41.16)</b>	1.96
Closing fair Value of Plan Assets	<b><u>324.77</u></b>	<u>258.15</u>

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

<b>Particulars</b>	<b>Gratuity</b>	
	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Investment With Insurer	<b>100%</b>	100%

**Sensitivity Analysis**

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

<b>Particulars</b>	<b>Increase Effect</b>	<b>Decrease Effect</b>
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)

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2019 is as follows:

<b>Particulars</b>	<b>Increase Effect</b>	<b>Decrease Effect</b>
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(25.23)	28.89
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	26.35	(23.99)
Effect of Increase/decrease in employee turnover by 1% on Defined benefit obligations	2.29	(2.70)

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



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****43. EARNING PER SHARE****Rs. in Lakhs**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Profit/(loss) for the year	<b>2,155.57</b>	1,979.77
<b>No. of share at the beginning of the year (A)</b>	<b>12,194,174.00</b>	12,181,254.00
Equity allotted during the year	<b>7,695.00</b>	12,920.00
<b>Weighted average shares (B)</b>	<b>3,345.00</b>	3,673.00
Weighted average shares outstanding (nos.) (A+B)	<b>12,197,519.00</b>	12,184,927.00
<b>Effect of diluted number of share</b>		
Add:- Employee stock option plan	<b>43,690.22</b>	44,551.00
Add:- Convertible preferential share warrant	-	40,274.00
Weighted average number of equity share for diluted earning per share	<b>12,241,209.22</b>	12,269,752.00
Basic earning per share	<b>17.67</b>	16.25
Diluted earning per share	<b>17.61</b>	16.14

**44. EXPORT PROMOTION CAPITAL GOODS (EPCG)**

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

**45. EMPLOYEE STOCK OPTION PLAN**

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

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

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

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

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

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

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

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

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

**Rs. in Lakhs**

<b>Grant date</b>		<b>April 5, 2018</b>		
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
<b>Grant date</b>		<b>February 03, 2018</b>		
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
<b>Grant date</b>		<b>December 31, 2015</b>		
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
<b>Grant date</b>		<b>September 16, 2015</b>		
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
<b>Grant date</b>		<b>January 28, 2014</b>		
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, 2020 is as under:

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Number of options outstanding at the beginning of the period	<b>99,518.00</b>	93,004.00
Number of options granted during the year	-	30,000.00
Number of options forfeited / lapsed during the year	-	10,566.00
Number of options vested during the year	<b>11,000.00</b>	38,484.00
Number of options exercised during the year	<b>7,695.00</b>	12,920.00
Number of shares arising as a result of exercise of options	<b>7,695.00</b>	12,920.00
Money realized by exercise of options (INR), if scheme is implemented directly by the company	<b>Rs. 3,84,750</b>	Rs. 6,46,000
Loan repaid by the Trust during the year from exercise price received	<b>NA</b>	NA
Number of options outstanding at the end of the year	<b>91,823.00</b>	99,518.00
Number of options exercisable at the end of the year	<b>45,823.00</b>	42,518.00

## 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%	0.26	0.37
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%	-	-
Risk free rate of return	8.17%	7.96%	0.08	0.07

### 46. Details of Corporate Social Responsibility (CSR) Expenditure

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Gross amount required to be spent	46.25	44.91
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	
(ii) On purpose other than (i) above	39.88	9.97
(c) Administrative expenses	-	-

### 47. Expenses Capitalised During the Year

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

Salaries , Allowances and Bonus	795.94	883.74
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### 48. 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.

Particulars	Rs. in Lakhs			
	As at 31st March, 2020			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised cost</b>				
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	7,956.88	-	-	7,956.88
<b>At FVTPL</b>				
Investments	35.01	0.01	-	35.00
Other Financial Assets	-	-	-	-
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings	44,092.78	-	-	44,092.78
Trade payables	7,719.52	-	-	7,719.52
Other Financial Liabilities	2,482.04	-	-	2,482.04
<b>At FVTPL</b>				
Other Financial Liabilities	403.68	-	403.68	-

Particulars	As at 31st March, 2019			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised cost</b>				
Trade Receivable	12,308.53	-	-	12,308.53
Cash & cash equivalents	3,736.90	-	-	3,736.90
Other bank balance	800.49	-	-	800.49
Loans	498.59	-	-	498.59
Other financial assets	6,313.25	-	-	6,313.25
<b>At FVTPL</b>				
Investments	0.01	0.01	-	-
Other financial assets	539.82	-	539.82	-
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings	37,496.20	-	-	37,496.20
Trade Payables	-	-	-	-
Other Financial Liabilities	2,336.07	-	-	2,336.07
<b>At FVTPL</b>				
Other Financial Liabilities	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

### 49 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, 2020	As at 31st March, 2019
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 23, 28 & 30)	44,092.78	38,293.10
Less: Cash and cash equivalents (Note 16)	(4,934.88)	(3,736.90)
<b>Net debt</b>	<b>39,157.90</b>	<b>34,556.20</b>
Equity Share Capital	1,220.19	1,219.42
Other Equity	33,455.76	38,276.25
<b>Total Capital</b>	<b>34,675.95</b>	<b>39,495.67</b>
<b>Capital and Net Debt</b>	<b>73,833.85</b>	<b>74,051.87</b>
Gearing Ratio	0.53	0.47

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

### 50. 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
<b>Parent :</b>	85.08	28,956.89	87.09	2,180.99
<b>Subsidiary</b>				
<b>Indian Subsidiaries</b>				
Bhartiya Global Marketing Ltd	1.17	397.13	(0.15)	(3.75)
J&J Leather Enterprises Ltd	1.53	521.23	(0.37)	(9.34)
Bhartiya International SEZ Ltd	3.91	1,330.45	(0.58)	(14.41)
Bharatiya Fashion Retail Ltd	0.02	5.58	0.18	4.58
Bhartiya Urban Infrastructure Ltd.	0.01	2.91	-	(0.02)
<b>Foreign Subsidiaries</b>				
World Fashion Trade Ltd.	(0.29)	(99.04)	0.23	5.87
Design Industry China Ltd	(0.12)	(39.35)	4.08	102.19
Ultima SA	16.16	5,498.44	15.18	380.20
Ultima Italia SRL	5.20	1,771.42	0.20	4.90
Design Industry Ltd., Hongkong	0.98	334.16	3.74	93.66
<b>Sub Total</b>		38,679.82		2,744.87
<b>Inter-company Elimination &amp; Consolidation Adjustments</b>	(13.65)	(4,645.35)	(9.61)	(240.62)
<b>Grand Total</b>		34,034.47		2,504.25
<b>Non-Controlling Interest in Subsidiaries</b>		(145.97)		1.59
<b>Share of Profit / (Loss) in Associates</b>		641.48		(348.68)
		34,529.98		2,157.16

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).

### 51. Financial Risk Management

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

#### Credit Risk

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

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

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

Particulars	Rs. in Lakhs	
	As at 31st March, 2020	As at 31st March, 2019
Less than 6 month	11,985.80	11,953.83
More than 6 month	643.27	354.71

#### 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, 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	768.01	266.68	362.49	2,885.72

Particulars	As at 31st March, 2019			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	32,315.96	3,209.90	2,767.24	38,293.10
Trade Payable	10,205.98	-	-	10,205.98
Other Financial Liabilities	1,539.17	-	-	1,539.17

#### 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

Rs. in Lakhs

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total Borrowings	44,092.78	38,293.10
% of Borrowings out of above bearing variable rate of interest	84.61%	82.31%

### 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	412.77	730.46
100 bp decrease would Increase the profit before tax by	412.77	730.46

### 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, 2020		As at 31st, March, 2019	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	91.75	463.10	36.17	359.30
EURO	36.48	226.57	8.33	147.49
GBP	30.44	69.91	41.68	53.26
HKD	193.38	88.81	107.78	91.52
RMB	10.86	6.01	5.29	10.30
CHF	130.10	89.28	153.06	101.86

### 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, 2020		As at 31st March, 2019	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
<b>Foreign Currency Monetary Assets</b>				
USD	347.07	(347.07)	125.05	(125.05)
EURO	151.89	(151.89)	32.34	(32.34)
GBP	142.98	(142.98)	187.97	(187.97)
HKD	94.42	(94.42)	47.42	(47.42)
RMB	5.76	(5.76)	2.33	(2.33)
CHF	510.58	(510.58)	531.87	(531.87)
<b>Foreign Currency Monetary Liabilities</b>				
USD	(1,751.79)	1,751.79	(1,242.28)	1,242.28
EURO	(943.38)	943.38	(572.62)	572.62
GBP	(328.38)	328.38	(240.19)	240.19
HKD	(43.36)	43.36	(40.27)	40.27
RMB	(3.19)	3.19	(4.54)	4.54
CHF	(350.38)	350.38	(353.97)	353.97
<b>Impact on Profit or Loss as at the end of reporting year</b>	<b>(2,167.78)</b>	<b>2,167.78</b>	<b>(1,526.89)</b>	<b>1,526.89</b>

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, 2020		As at 31st March, 2019	
	Currency	Foreign Currency Lacs	Currency	Foreign Currency Lacs
<b>Forwards Contracts</b>	<b>USD</b>	<b>105.00</b>	USD	83.50
	<b>EURO</b>	<b>17.00</b>	EURO	22.50
	<b>GBP</b>	<b>40.50</b>	GBP	30.00

### 52. Transition to Ind AS 116 'Leases'

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – 'Leases' and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019

The Company has elected below practical expedients on transition to Ind AS 116

- i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- ii) Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application
- iii) Excluded the initial direct costs from the measurement of right of use asset at the date of initial application
- iv) Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

- v) The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings
- vi) The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- vii) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 9%.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****Rs. in Lakhs****A) Leases as lessee****i) The movement in Lease Liabilities during the year**

<b>Particulars</b>	<b>As at 31st March, 2020</b>
Opening Balance	-
Balance as at 1st April, 2019 (On adoption of IND AS -116)	460.62
Addition during the year	228.44
Finance Costs incurred during the year	48.36
Payment of lease Liabilities	(114.84)
<b>Balance as at 31st March, 2020</b>	<b><u>622.58</u></b>

**ii) The carrying value of the Rights-of-use and depreciation charged during the year**

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note -4.2 "Right of use assets ".

**(iii) Amounts Recognised in Statement of Cash Flows**

<b>Particulars</b>	<b>As at 31st March, 2020</b>
Total Cash outflow for Leases	(114.84)

**(iv) Maturity Analysis of Lease Liability**

<b>Particulars</b>	<b>As at 31st March, 2020</b>
<b>Maturity Analysis of contractual undiscounted Cash Flows</b>	
Less than one year	141.75
One to five years	362.40
More than five years	413.19
<b>Total undiscounted Lease Liability</b>	
<b>Balances of Lease Liabilities</b>	
Non Current Lease Liability	533.28
Current Lease Liability	89.29
<b>Total Lease Liability</b>	<b><u>622.57</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD).****Rs. in Lakhs****53. Related Party Disclosures as per Ind AS 24**

<b>a) Name of Related Parties &amp; Nature of Relationship:</b>	<b>Country</b>	<b>Ownership Interest</b>
<b>i) Associate parties :</b>		
Bhartiya Urban Pvt. Ltd. (Bhartiya City Developers Pvt. Ltd.)	India	0.37
Tada Mega Leather Cluster Pvt Ltd.	India	0.50
<b>ii) Executive Directors:</b>		
Snehdeep Aggarwal		Managing Director (till 31.05.2019)
Manoj Khattar		Whole Time Director
<b>iii) Non-Executive Directors</b>		
Snehdeep Aggarwal		Director (w.e.f 01.06.2019)
Ramesh Bhatia		Director
C.L. Handa		Independent Director
Sandeep Seth		Independent Director
Shashank		Independent Director
A. Sahasranaman		Independent Director
Annapurna Dixit		Independent Director
Amrishpal singh		Director
Nikhil Aggarwal		Director
Walter willi Zwahlen		Director
<b>iv) Enterprises owned or significantly influenced by Executive Directors or their relatives :</b>		
Itopia Management Services (India) Pvt. Ltd.		
Parushni Interior Designs Pvt. Ltd.		
<b>v) Relatives of Executive Directors with whom transactions have taken place:</b>		
Kanwal Aggarwal		
Arjun Aggarwal		
<b>vi) Trust (Post Employment Benefit Plan)</b>		
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 :**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
<b>1. Salaries</b>		
Snehdeep Aggarwal	10.00	18.40
Jaspal Sethi	-	3.80
A.k.Gadhok	-	0.31
Manoj Khattar	97.29	66.06
Amrishpal singh	3.00	3.00
Nikhil Aggarwal	93.37	95.89
Walter willi Zwahlen	62.21	82.39
<b>2. Lease Rent Received</b>		
Parushni Interior Designs Pvt Ltd	18.00	18.00
<b>3. Legal and Professional Fees</b>		
Itopia Management Services ( India) Pvt. Ltd	4.25	5.00
Robert Burton Moore Jr	89.75	89.95
<b>4. Purchase of Fixed Asset</b>		
Parushni Interior Designs Pvt. Ltd.	-	3.78
<b>5. Sitting Fee</b>		
Ramesh Bhatia	0.03	0.03
C.L. Handa	0.56	0.23
Sandeep Seth	0.75	0.30
Shashank	0.63	0.30
A. Sahasranaman	0.36	0.08
Annapurna Dixit	0.25	0.06
<b>6. Contribution to Gratuity Trust</b>		
Bhartiya International Ltd. Employees Group Gratuity Scheme	50.00	10.00
<b>c) Balances Outstanding at the year end:</b>		
<b>1. Expenses/Others Payables</b>		
Amrishpal singh	0.25	0.25
<b>2. Security Deposit (Received)</b>		
Parushni Interior Designs Pvt. Ltd.	1.50	1.50

**54 COVID-19 Assessment Note**

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of all plants and offices following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March, 2020. However, for the first quarter of F.Y. 2020-21, being lockdown months, the revenues and profitability of the company are likely to be adversely impacted and since the business situation is very dynamic, the company is closely monitoring it. However, the assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, accordingly the impact may be different from that estimated now.

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, 2020

**Shilpa Budhia**

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

## CONSOLIDATED FINANCIAL SUMMARY

Rs. in Lakhs

PARTICULARS	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Equity Share Capital	946.38	1046.38	1106.38	1106.38	1121.38	1171.38	1174.09	1218.13	1219.42	1220.19
Reserves & Surplus	10597.23	12007.26	13113.65	14518.27	16276.96	20014.16	25579.31	36272.00	38276.25	33455.76
Net Worth	11949.95	13300.71	14395.12	15798.28	17864.48	22394.47	26753.41	37490.13	39495.67	34675.95
Capital Employed	12908.50	14613.58	17572.83	19521.88	21582.50	26468.25	30699.56	43225.88	46795.74	41972.58
Gross Fixed Assets	6857.03	7926.79	8907.95	9591.43	10428.12	12109.72	9422.58	12787.52	13773.50	16020.50
Net Fixed Assets	4906.96	5729.65	6557.74	6888.19	7316.30	8412.82	8922.09	11574.45	11798.37	13066.17
Export Sales including Export Incentives	19523.02	25067.32	30306.03	41440.95	55812.77	62215.89	64194.24	71051.66	74799.74	72069.58
Other Income	246.16	231.92	315.73	351.49	333.80	378.91	618.56	725.54	1198.07	435.50
Total Income	19769.18	25299.24	30621.76	41792.44	56146.57	62600.50	64812.80	71777.20	75997.81	72505.08
EBITDA	2102.78	2929.87	2951.26	4059.35	5299.22	5104.13	4659.23	5408.24	6717.19	6399.58
Depreciation	281.25	288.70	323.63	395.46	630.24	604.98	601.53	748.27	812.70	998.01
EBIT	1821.53	2641.17	2627.63	3663.88	4668.98	4499.15	4057.70	4659.97	5904.49	5401.57
Profit before Tax	1001.60	1609.53	1442.25	2096.56	2953.65	3192.93	2667.25	2703.91	2851.18	2910.24
Tax Expenses	337.68	453.79	433.40	646.96	839.46	920.88	808.95	842.61	954.74	435.87
Net Profit After Tax and before Share of Profit / (Loss) of Associates	664.26	1147.01	1012.58	1451.05	2099.93	2279.26	1858.30	1861.30	1896.44	2474.37
Non Controlling Interest	(0.34)	8.72	(3.73)	(1.45)	14.26	(7.22)	(5.68)	(3.43)	(0.01)	(1.59)
Share in Profit	(26.38)	(1.82)	1.29	0.78	0.44	192.22	(58.54)	(118.07)	80.35	(348.68)
Net Profit after share of Profit and Loss of Associates	637.88	1145.19	1013.87	1451.83	2100.37	2471.48	1799.76	1743.23	1976.79	2125.69
Equity Dividend (%)	10.00	10.00	10.00	10.00	10.00	12.00	12.00	12.00	12.00	-
EPS (Basic) Rs.	7.36	11.39	9.35	13.12	18.83	21.69	15.33	14.42	16.25	17.67
EPS(Diluted) Rs.	7.15	11.39	9.31	13.06	18.50	21.48	14.98	14.28	16.14	17.61

## INDEPENDENT AUDITOR'S REPORT

**To**  
**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, 2020, 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 March 31, 2020, 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.

### 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

Key Audit Matters	Auditor's Response
<p><b>Adoption of Ind AS 116</b></p> <p>As described in Note 54 to the Standalone Financial Statements, the Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgments and estimates including, determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition. Refer Note 4.2 and Note 54 to the standalone financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116);</li> <li>Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>Involved our specialists to evaluate the reasonableness of the discount rates applied in determining the lease liabilities;</li> <li>Upon transition as at 1 April, 2019: <ul style="list-style-type: none"> <li>Evaluated the method of transition and related adjustments;</li> <li>Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> </ul> </li> <li>On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> <li>assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.</li> </ul> </li> <li>Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>

### Emphasis of Matter

We draw your attention to Note 56 to the Standalone Financial Statements which states that the management has assessed that there is no significant impact on the Financial Statements ending as on 31<sup>st</sup> March, 2020, however, impact on subsequent period is highly dependent upon circumstances as they evolve. 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 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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: 20075701AAAAAE7595

Gurugram, 29th June, 2020



## 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020. 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<sup>st</sup> March, 2020, 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

- iii. 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: 20075701AAAAAE7595

Gurugram, 29th June, 2020

## **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 31<sup>st</sup> March, 2020 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 31st March, 2020, 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: 20075701AAAAAE7595

Gurugram, 29th June, 2020

**STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020****Rs. in Lakhs**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>I Assets</b>			
<b>1 Non - Current Assets</b>			
(a) Property, Plant and Equipment	4	<b>9,659.11</b>	9,680.50
(b) Capital Work-in-Progress	4.1	<b>305.97</b>	314.81
(c) Right of Use Assets	4.2	<b>909.61</b>	-
(d) Investment Property	5	<b>546.29</b>	557.20
(e) Intangible Assets	6	<b>55.29</b>	127.26
(f) Investments in Subsidiaries & Associates	7	<b>6,576.09</b>	6,576.09
(g) Financial Assets			
(i) Investments	8	<b>0.01</b>	0.01
(ii) Loans	9	<b>121.26</b>	130.67
(iii) Other financial Assets	10	-	88.14
(h) Other Non-Current Assets	11	<b>68.30</b>	712.73
<b>2 Current Assets</b>			
(a) Inventories	12	<b>40,718.98</b>	38,510.14
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	<b>7,740.53</b>	7,127.81
(iii) Cash and cash equivalents	15	<b>3,625.40</b>	1,319.53
(iv) Bank balances other than cash & cash Equivalents	16	<b>1,166.86</b>	800.49
(v) Loans	17	<b>198.56</b>	287.92
(vi) Others Financial Assets	18	<b>2,743.34</b>	4,154.69
(c) Current Tax assets (net)		<b>48.27</b>	48.27
(d) Other Current Assets	19	<b>2,477.13</b>	1,522.26
<b>TOTAL ASSETS</b>		<b>76,961.00</b>	71,958.52
<b>II Equity and Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	20	<b>1,220.19</b>	1,219.42
(b) Other Equity	21	<b>27,736.68</b>	25,692.36
<b>2 Liabilities</b>			
Non - Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	<b>2,448.20</b>	2,977.62
(ii) Other Financial Liabilities	23	<b>418.85</b>	153.18
(b) Provisions	24	<b>40.37</b>	106.87
(c) Other Non-Current Liabilities	25	<b>109.34</b>	27.83
(d) Deferred Tax Liabilities	26	<b>573.01</b>	1,005.45
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	<b>37,233.26</b>	30,348.91
(ii) Trade Payables	28		
Total outstanding dues of micro enterprises and small enterprises		<b>748.14</b>	932.37
Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>3,582.49</b>	6,927.58
(iii) Other financial liabilities	29	<b>1,913.70</b>	1,809.67
(b) Provisions	30	<b>160.09</b>	122.84
(c) Other Current Liabilities	31	<b>217.62</b>	525.22
(d) Current Tax Liabilities (Net)		<b>559.06</b>	109.20
<b>TOTAL OF EQUITY AND LIABILITIES</b>		<b>76,961.00</b>	71,958.52
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements	1 to 56		

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

**Shilpa Budhia**

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, 2020

## STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. in Lakhs

Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	32	<b>57,467.48</b>	60,929.62
Other Income	33	<b>308.85</b>	412.75
<b>Total Income</b>		<b><u>57,776.33</u></b>	<u>61,342.37</u>
<b>EXPENSES</b>			
Cost of Material Consumed	34	<b>32,197.79</b>	34,091.14
Purchases of Stock-in-Trade		<b>308.27</b>	1,371.18
Change in Inventories of Finished Goods	35	<b>(851.31)</b>	(1,414.54)
Employee Benefits Expense	36	<b>4,082.78</b>	3,762.50
Finance Costs	37	<b>2,296.42</b>	2,876.72
Depreciation and Amortisation Expense	38	<b>873.16</b>	692.59
Other Expenses	39	<b>16,369.11</b>	17,471.31
<b>Total Expenses</b>		<b><u>55,276.22</u></b>	<u>58,850.90</u>
<b>Profit / (Loss) before Tax for the year</b>		<b>2,500.11</b>	2,491.47
<b>Tax expenses</b>	40		
i Current Tax		<b>792.32</b>	541.88
ii Deferred Tax		<b>(442.88)</b>	324.21
<b>Profit / (Loss) for the year (A)</b>		<b><u>2,150.67</u></b>	<u>1,625.38</u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be Reclassified to profit or Loss</b>			
Remeasurements of the defined benefit plans		<b>40.75</b>	(11.85)
Income tax relating to above items		<b>(10.44)</b>	4.14
<b>Total Other Comprehensive Income for the Year (B)</b>		<b><u>30.31</u></b>	<u>(7.71)</u>
<b>Total Comprehensive Income for the Year (A+B)</b>		<b><u>2,180.98</u></b>	<u>1,617.67</u>
<b>Earnings per equity share of face value</b>			
Basic (in Rs.)		<b>17.63</b>	13.34
Diluted (in Rs.)		<b>17.57</b>	13.25
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements	1 to 56		

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, 2020

**Shilpa Budhia**

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, 2020

### A Equity Share Capital Rs. in Lakhs

Particulars	Notes	Amount
Balance as at 31st March, 2018		1,218.13
Change in equity share capital during the year 2018-19	20.1	1.29
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

### B Other Equity (Refer Note 21)

Particulars	Money Received against Share Warrants	Employee Stock Options Outstanding	Reserves and Surplus					Total
			Preferential Share Warrant Forfeited	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income (Defined benefit plan )	
<b>Balance as at 31st March, 2018</b>	<b>390.75</b>	<b>246.81</b>	<b>535.00</b>	<b>7,737.38</b>	<b>2,998.51</b>	<b>12,313.80</b>	<b>(11.02)</b>	<b>24,211.23</b>
Profit for the year	-	-	-	-	-	1,625.38	-	1,625.38
Other Comprehensive Income for the year	-	-	-	-	-	-	(7.71)	(7.71)
Securities premium on issue of share	-	-	-	60.82	-	-	-	60.82
Employee Stock option reserve for the year	-	35.98	-	-	-	-	-	35.98
Transfer to Security premium on issue of share	-	(55.65)	-	-	-	-	-	(55.65)
Dividends & Dividends Distribution Tax	-	-	-	-	-	(177.69)	-	(177.69)
Preference Share warrants Forfeited	(390.75)	-	390.75	-	-	-	-	-
Transfer from Retained Earnings	-	-	-	-	200.00	-	-	200.00
Transfer to General Reserve	-	-	-	-	-	(200.00)	-	(200.00)
<b>Balance as at 31st March, 2019</b>	<b>-</b>	<b>227.14</b>	<b>925.75</b>	<b>7,798.20</b>	<b>3,198.51</b>	<b>13,561.49</b>	<b>(18.73)</b>	<b>25,692.36</b>
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 Earnings	-	-	-	-	200.00	-	-	200.00
Transfer to General Reserve	-	-	-	-	-	(200.00)	-	(200.00)
<b>Balance as at 31st March, 2020</b>	<b>-</b>	<b>230.97</b>	<b>925.75</b>	<b>7,834.46</b>	<b>3,398.51</b>	<b>15,335.41</b>	<b>11.58</b>	<b>27,736.68</b>

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, 2020

**Shilpa Budhia**

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 CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020

Rs. in Lakhs

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before tax as per Statement of Profit and Loss</b>	<b>2,500.11</b>	2,491.47
<b>Adjustment for :</b>		
Finance Cost	<b>2,296.42</b>	2,876.72
Depreciation and Amortisation Expenses	<b>873.16</b>	692.59
Loss/(Profit) on sale of Property, Plant & Equipment (net)	<b>(1.51)</b>	(0.23)
Loss/(Profit) on Sale of Investments (net)	<b>-</b>	(45.80)
Rental Income	<b>(288.72)</b>	(326.38)
Dividend Income	<b>-</b>	(0.01)
Interest Income	<b>(12.88)</b>	(26.11)
Government Grant Income	<b>(2.07)</b>	(2.07)
Provision for Employee Stock Option Benefits	<b>37.01</b>	35.98
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>5,401.52</b>	5,696.16
<b>Movements in working capital:</b>		
Increase/ (decrease) in trade payables	<b>(3,529.32)</b>	(468.08)
Increase/ (decrease) in other financial liabilities	<b>122.11</b>	26.39
Increase/ (decrease) in other liabilities	<b>(307.60)</b>	(215.00)
Increase/ (decrease) in provisions	<b>11.50</b>	(88.53)
Decrease/ (increase) in inventories	<b>(2,208.84)</b>	(5,801.58)
Decrease/ (increase) trade receivables	<b>(612.72)</b>	2,462.63
Decrease/ (increase) in non-current loan	<b>98.77</b>	(9.15)
Decrease/ (increase) in other current financial assets	<b>1,411.35</b>	509.76
Decrease/ (increase) in other current assets	<b>(967.47)</b>	723.55
Decrease/ (increase) in other non-current assets	<b>87.95</b>	12.62
Decrease/ (increase) in other non-current financial assets	<b>88.14</b>	(12.45)
<b>Cash (used in) / Generated from Operations</b>	<b>(404.61)</b>	2,836.32
Income tax paid (Net)	<b>(342.46)</b>	(535.89)
<b>Net cash (used in)/ Generated from Operating Activities - (A)</b>	<b>(747.07)</b>	2,300.43
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	<b>(659.41)</b>	(650.80)
Capital advance/Capital creditors (net)	<b>(39.46)</b>	(16.16)
Proceeds from sale of Property, Plant & Equipment	<b>4.98</b>	1.14
Proceeds from sale of current investments(net)	<b>-</b>	644.69
Dividend income on current investments	<b>-</b>	0.01
Security Deposit	<b>(74.51)</b>	12.65
Rental Income	<b>288.72</b>	326.38
Interest Income	<b>12.88</b>	26.11
Fixed Deposit with Bank	<b>(366.37)</b>	(152.68)
<b>Net Cash from/ (used in) Investing Activities - (B)</b>	<b>(833.17)</b>	191.34

**STANDALONE STATEMENT OF CASH FLOW (CONTD.)****Rs. in Lakhs**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings (net)	<b>(466.95)</b>	(803.20)
Proceeds from short-term borrowings (net)	<b>6,884.35</b>	2,113.76
Payment of Lease Liability	<b>(101.04)</b>	-
Share Capital including securities premium	<b>3.85</b>	6.46
Interest and processing fees paid (net)	<b>(2,257.34)</b>	(2,876.72)
Dividend paid (including dividend tax)	<b>(176.75)</b>	(177.69)
<b>Net Cash from/ (used in) Financing Activities - (C)</b>	<b><u>3,886.12</u></b>	<b><u>(1,737.39)</u></b>
<b>Net Increase / (decrease) in Cash and Cash Equivalents - (A+B+C)</b>	<b>2,305.87</b>	754.38
Cash and cash equivalents as at beginning of the year	<b>1,319.53</b>	565.15
<b>Cash and Cash Equivalents as at the end of the year</b>	<b><u>3,625.40</u></b>	<b><u>1,319.53</u></b>
<b>Components of Cash and Cash Equivalents:</b>		
Cash on hand	<b>25.69</b>	14.72
Balances with scheduled banks:		
In current accounts	<b>1,348.25</b>	877.12
In term deposit	<b>2,251.46</b>	427.69
<b>Cash and Cash Equivalents in Cash Flow Statement</b>	<b><u>3,625.40</u></b>	<b><u>1,319.53</u></b>

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, 2020

**Shilpa Budhia**

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 products

### 2 BASIS OF PREPARATION

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

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

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

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Property, Plant and Equipment

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

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

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

#### 3.2 Investment Properties

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

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

#### 3.3 Intangible Assets

##### Computer Software

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

##### Amortisation Method and Useful Life

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

#### 3.4 Lease

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

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

##### Company as a Lessee

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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

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

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

### (ii) Lease Liabilities

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

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

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

#### Company as a Lessor

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

## 3.5 Investment In Subsidiaries And Associates

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

## 3.6 Inventories

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 3.7 Cash & Cash Equivalents

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

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

### 3.8 Employee Benefits

#### Defined Contribution Plan

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

#### Defined Benefit Plan

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

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

### 3.9 Financial Instruments

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

#### Financial Assets

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

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

Financial assets are subsequently classified as measured at

- Amortised cost
- Fair Value through profit and loss (FVTPL)
- Fair Value through other comprehensive income (FVOCI).

#### Debt Instruments

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

#### (a) Measured at Amortised Cost:

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

#### (b) Measured at Fair Value through Other Comprehensive income:

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

#### (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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 3.11 Revenue Recognition

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

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

#### Revenue from Services

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

#### Other Operating Revenue - Export Incentives

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

#### Interest Income

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

#### Dividend Income

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

### 3.12 Foreign Currency Translation

The Company's financial statements are presented in Indian currency, which is also the company's functional currency.

#### Transactions and Balances

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

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

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

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

### 3.13 Income Tax

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

#### Current Tax

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

#### Deferred Tax

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

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

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

### 3.14 Earning per share

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

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

### 3.15 Borrowing Cost

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

### 3.16 Government Grants

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

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

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

### 3.17 Share Based Payment

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

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

### 3.18 Critical Estimates and Judgements

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

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

#### **The areas involving critical estimates or judgement are:**

Estimation of Defined benefit obligation

Estimation of current tax expenses and Payable

Useful lives of depreciable assets

Provision and contingent liability

Carry value of investment in 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, 2018	223.25	3,559.10	4,208.95	237.47	202.35	300.37	175.37	8,906.86
Addition		1,320.66	900.45	42.28	7.24	37.87	29.25	2,337.75
Disposal					2.79		15.07	17.86
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
Accumulated Depreciation								
Balance as at 31st March, 2018	-	232.73	445.72	58.22	31.01	86.61	87.65	941.94
Addition		133.98	327.20	30.77	29.87	45.40	43.26	610.48
Disposal					2.04		4.13	6.17
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
Net Carrying Amount								
Balance as at 31st March, 2019	223.25	4,513.05	4,336.48	190.76	147.96	206.23	62.77	9,680.50
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

#### 4.1 Capital Work in Progress

<b>Balance as at 31st March, 2019</b>	314.81
<b>Balance as at 31st March, 2020</b>	<b>305.97</b>

**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.

#### 4.2 RIGHT OF USE ASSETS

Particulars	Land	Building	Total
<b>Gross Carrying Amount</b>			
As at 1st April, 2019	532.34	460.62	992.96
Addition	-	20.75	20.75
Disposal			
<b>Balance as at 31st March, 2020</b>	<b>532.34</b>	<b>481.37</b>	<b>1,013.71</b>
<b>Accumulated Depreciation</b>			
As at 1st April, 2019	-	-	-
Addition	12.64	91.46	104.10
Disposal			
<b>Balance as at 31st March, 2020</b>	<b>12.64</b>	<b>91.46</b>	<b>104.10</b>
<b>Net carrying Amount</b>			
Balance as at 31st March, 2019	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>519.70</b>	<b>389.91</b>	<b>909.61</b>

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

	<b>Rs. in Lakhs</b>	
<b>Particulars</b>	<b>Buildings</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
Balance as at 31st March, 2018	589.92	589.92
Addition		
Disposal		
Balance as at 31st March, 2019	<b>589.92</b>	<b>589.92</b>
Addition		
Disposal		
<b>Balance as at 31st March, 2020</b>	<b>589.92</b>	<b>589.92</b>
<b>Accumulated Depreciation</b>		
Balance as at 31st March, 2018	21.81	21.81
Addition	10.91	10.91
Disposal		
Balance as at 31st March, 2019	<b>32.72</b>	<b>32.72</b>
Addition	10.91	10.91
Disposal		
<b>Balance as at 31st March, 2020</b>	<b>43.63</b>	<b>43.63</b>
<b>Net Carrying Amount</b>		
Balance as at 31st March, 2019	557.20	557.20
<b>Balance as at 31st March, 2020</b>	<b>546.29</b>	<b>546.29</b>
<b>Fair Value</b>		
As at 31st March, 2019	2,744.77	2,744.77
<b>As at 31st March, 2020</b>	<b>2,743.23</b>	<b>2,743.23</b>

<b>5.1 Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Rental income derived from investment properties	<b>252.35</b>	282.53
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
<b>Income arising from investment properties before depreciation</b>	<b>252.35</b>	<b>282.53</b>
Depreciation	<b>10.91</b>	10.91
<b>Income from investment properties (Net)</b>	<b>241.44</b>	<b>271.62</b>

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

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Not later than one year	<b>253.25</b>	136.08
Later than one year and not later than five years	<b>965.73</b>	18.90
Later than five years	<b>918.66</b>	-

**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**

<b>Particulars</b>	<b>Computer Software</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
Balance as at 31st March, 2018	255.92	255.92
Addition	40.28	40.28
Disposal	-	-
Balance as at 31st March, 2019	<b>296.20</b>	<b>296.20</b>
Addition	3.53	3.53
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b>299.73</b>	<b>299.73</b>
<b>Accumulated Depreciation</b>		
Balance as at 31st March, 2018	97.75	97.75
Addition	71.19	71.19
Disposal	-	-
<b>Balance as at 31st March, 2019</b>	<b>168.94</b>	<b>168.94</b>
Addition	75.50	75.50
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b>244.44</b>	<b>244.44</b>
<b>Net Carrying Amount</b>		
Balance as at 31st March, 2019	127.26	127.26
Balance as at 31st March, 2020	<b>55.29</b>	<b>55.29</b>

**7. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES**

<b>Particulars</b>	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>Shares(Nos)</b>	<b>Amount</b>	<b>Shares(Nos)</b>	<b>Amount</b>
<b>A INVESTMENTS IN WHOLLY OWNED SUBSIDIARIES</b>				
<b>i. Equity Instrument at cost (Unquoted)</b>				
1 Equity share of Rs. 10/- each, fully paid in Bhartiya Global Marketing Ltd., India	<b>4,999,020</b>	<b>499.90</b>	4,999,020	499.90
2 Equity Shares of Rs. 10/- each, fully paid in Bhartiya International SEZ Ltd., India	<b>12,069,230</b>	<b>1,206.92</b>	12,069,230	1,206.92
3 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Fashion Retail Ltd., India	<b>500,000</b>	<b>50.00</b>	500,000	50.00
4 Equity Shares of Rs. 10/- each, fully paid in Bhartiya Urban Infrastructure Ltd., India	<b>50,000</b>	<b>5.00</b>	50,000	5.00
5 Equity Shares in Ultima S.A., Switzerland (having par value of SFR 1,000/- each)	<b>1,000</b>	<b>337.86</b>	1,000	337.86
6 Equity Shares in World Fashion Trade LTD., Hongkong (having par value of \$ 1/- each)	<b>709,000</b>	<b>478.14</b>	709,000	478.14
<b>Total (A)</b>		<b>2,577.82</b>		<b>2,577.82</b>
<b>B INVESTMENTS IN ASSOCIATES</b>				
<b>i. Equity Instrument at cost (Unquoted)</b>				
1 Equity Shares of Rs. 10 each, fully paid in Bhartiya Urban Private Ltd (Earlier known as Bahrtiya City Developers Pvt. Ltd)	<b>34,393,260</b>	<b>3,999.60</b>	34,393,260	3,999.60
2 Equity Shares of Rs. 10 each, fully paid in Tada Mega Leather Cluster Pvt. Ltd.	<b>5,000</b>	<b>0.50</b>	5,000	0.50
<b>Total (B)</b>		<b>4,000.10</b>		<b>4,000.10</b>
<b>Total (A+B)</b>		<b>6,577.92</b>		<b>6,577.92</b>
<b>Aggregate amount of unquoted Investments before impairment</b>		<b>6,577.92</b>		<b>6,577.92</b>
<b>Less: Provision for diminution in value of investment</b>		<b>1.83</b>		<b>1.83</b>
<b>Aggregate amount of unquoted Investments after impairment</b>		<b>6,576.09</b>		<b>6,576.09</b>



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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Units(No.)	Amount	Units(No.)	Amount
<b>A Investments in Mutual Funds (Unquoted)</b>				
<b>At Fair value through Profit and loss</b>				
i) Reliance ETF Liquid BeES	1.093	0.01	1.061	0.01
<b>TOTAL</b>		<u>0.01</u>		<u>0.01</u>
<b>Aggregate amount of unquoted Investments</b>		<b>0.01</b>		0.01
<b>Aggregate amount of impairment in Value of unquoted Investments</b>		-		-

**9. NON-CURRENT LOAN**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured & Considered Good)		
(a) Security and Other Deposits	81.08	69.69
(b) Loan to Employee	40.18	60.98
<b>TOTAL</b>	<u>121.26</u>	<u>130.67</u>

**10. OTHER NON CURRENT FINANCIAL ASSETS**

(Unsecured & Considered Good)		
(a) Other Advances	-	88.14
<b>TOTAL</b>	-	<u>88.14</u>

**11. OTHER NON CURRENT ASSETS**

(a) Capital Advances	54.88	91.62
(b) Security Deposits With Govt. Athourities	8.63	96.18
(c) Prepayment Lease Rent	4.79	524.93
<b>TOTAL</b>	<u>68.30</u>	<u>712.73</u>

**12. INVENTORIES**

(a) Raw Materials	27,538.91	27,338.77
(b) Raw Materials -In transit	141.64	80.98
(c) Stock-in-Progress	941.51	1,037.40
(d) Finished Goods	8,558.17	7,706.86
(e) Comsumable store	3,538.75	2,346.13
<b>TOTAL</b>	<u>40,718.98</u>	<u>38,510.14</u>

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Shares (No)	Amount	Shares (No)	Amount
a) <b>Investment In Equity Instrument ( Unquoted)</b>				
<b>At Fair value through Profit and Loss</b>				
i) Sai Rayalaseema Paper Mills Ltd.	31,792	-	31,792	-
<b>Total</b>		-		-
<b>Aggregate amount of unquoted Investments</b>		-		-

**14. TRADE RECEIVABLES**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
<i>(Unsecured, considered good)</i>		
(a) Trade Receivable	<b>7,506.86</b>	6,957.48
(b) Receivable from related parties <i>(refer no no. 55)</i>	<b>233.67</b>	170.33
<b>TOTAL</b>	<b><u>7,740.53</u></b>	<u>7,127.81</u>

**15. CASH AND CASH EQUIVALENT**

a) Balances with Banks		
In current accounts	<b>1,348.25</b>	877.12
In term deposit	<b>2,251.46</b>	427.69
b) Cash on Hand	<b>25.69</b>	14.72
<b>TOTAL</b>	<b><u>3,625.40</u></b>	<u>1,319.53</u>

**16. BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

a) Fixed Deposit with the bank	<b>1,158.33</b>	791.84
b) Unpaid dividend accounts	<b>8.53</b>	8.65
<b>TOTAL</b>	<b><u>1,166.86</u></b>	<u>800.49</u>

16.1 Fixed deposits of Rs. 1158.33 Lacs (previous year Rs 791.84 Lacs) are pledged with the banks for various limits and facilities granted.

**17. CURRENT LOAN**

<i>(Unsecured &amp; Considered Good)</i>		
(a) Security and Other Deposits	<b>44.15</b>	66.83
(b) Loans / Advances to related parties <i>(refer note no.55 )</i>	-	83.99
(c) Loan to employee	<b>154.41</b>	137.10
<b>TOTAL</b>	<b><u>198.56</u></b>	<u>287.92</u>

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

Particulars	As at	As at
	31st March, 2020	31st March, 2019
a) Export incentive receivable	1,471.69	1,363.68
b) Insurance claim receivable	132.57	125.23
c) Vat/ GST Receivable	1,138.90	2,125.96
d) Other Advance	0.18	-
e) Derivatives-foreign exchange forward contract	-	539.82
<b>TOTAL</b>	<b>2,743.34</b>	<b>4,154.69</b>

- 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	2,204.17	1,261.78
b) Prepaid Expenses	269.45	240.84
c) Security Deposit with Govt. Authority	0.18	2.12
d) Other Advances	3.31	4.90
e) Prepayment lease rent	0.02	12.62
<b>TOTAL</b>	<b>2,477.13</b>	<b>1,522.26</b>

**20. SHARE CAPITAL****Authorised Share Capital**

a) 20,000,000 (31st March, 2019: 20,000,000 ) Equity Shares of Rs. 10/- each	2,000.00	2,000.00
b) 500,000 (31st March, 2019: 500,000 ) Preference Shares of Rs. 100/- each	500.00	500.00
	<b>2,500.00</b>	<b>2,500.00</b>

**Issued, Subscribed & Paid Up :**

a) 12,201,869 (31st March, 2019: 12,194,174) Equity Shares of Rs.10/- each fully paid Up.	1,220.19	1,219.42
<b>TOTAL</b>	<b>1,220.19</b>	<b>1,219.42</b>

- 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, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	12,194,174	1,219.42	12,181,254	1,218.13
Shares Issued during the year	7,695	0.77	12,920	1.29
Shares outstanding at the end of the year	<b>12,201,869</b>	<b>1,220.19</b>	<b>12,194,174</b>	<b>1,219.42</b>

**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, 2020		As at 31st March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
(a) Snehdeep Aggarwal	1,143,362	9.37	1,143,362	9.38
(b) Bhartiya Infotech Pvt. Ltd.	1,000,000	8.20	1,000,000	8.20
(c) Bhartiya Global Ventures Pvt. Ltd.	2,215,100	18.15	1,850,000	15.17
(d) Bhartiya Advisory Services Pvt. Ltd.	681,913	5.59	681,926	5.59
(e) TIMF Holdings	706,474	5.79	706,474	5.79
(f) Superfine Carpets Pvt.Ltd.	659,266	5.40	1,256,244	10.30

## 20.3 Shares Reserved for issue under options

Particulars	As at 31st March, 2020 No. of Shares	As at 31st March, 2019 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	91,823	99,518

## 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 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
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.	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 7,695 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	Money Received against Share Warrants	Employee Stock Options Outstanding	Reserves and Surplus				Total
			Prefential Share Warrant Forfeited	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at 31st March, 2018</b>	<b>390.75</b>	<b>246.81</b>	<b>535.00</b>	<b>7,737.38</b>	<b>2,998.51</b>	<b>12,313.80</b>	<b>(11.02) 24,211.23</b>
Profit for the year	-	-	-	-	-	1,625.38	1,625.38
Other Comprehensive Income for the year	-	-	-	-	-	-	(7.71)
Securities Premium on issue of share	-	-	-	60.82	-	-	60.82
Employee Stock option reserve for the year	-	35.98	-	-	-	-	35.98
Transfer to Security premium on issue of share	-	(55.65)	-	-	-	-	(55.65)
Dividends & Dividends Distribution Tax	-	-	-	-	-	(177.69)	(177.69)
Preference Share Warrants Forfeited	(390.75)	-	390.75	-	-	-	-
Transfer from Retained Earning	-	-	-	-	200.00	-	200.00
Transfer to General Reserve	-	-	-	-	-	(200.00)	(200.00)
<b>Balance as at 31st March, 2019</b>	<b>-</b>	<b>227.14</b>	<b>925.75</b>	<b>7,798.20</b>	<b>3,198.51</b>	<b>13,561.49</b>	<b>(18.73) 25,692.36</b>
Profit for the year	-	-	-	-	-	2,150.67	2,150.67
Other comprehensive Income for the year	-	-	-	-	-	-	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)
<b>Balance as at 31st March, 2020</b>	<b>-</b>	<b>230.97</b>	<b>925.75</b>	<b>7,834.46</b>	<b>3,398.51</b>	<b>15,335.41</b>	<b>11.58 27,736.68</b>

**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, 2020	As at 31st March, 2019
<b>Secured</b>		
- Term Loans from Banks	2,410.28	2,927.88
- Vehicle Loans from Banks	37.92	49.74
<b>TOTAL</b>	<b>2,448.20</b>	<b>2,977.62</b>

#### 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 161.77 lacs (March 31, 2019 Rs. 323.56 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 18 Quarterly Installment starting from December 2016. Last installment due in March 2021. Rate of interest 10.25 % p.a. as at year end (previous year - 10.25 %)
22.2	Term Loans from HDFC Bank, subsequent disbursement , balance outstanding amounting to Rs 36.84 lacs (March 31, 2019 Rs. 73.68 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 18 Quarterly Installment starting from December 2016. Last installment due in March 2021. Rate of interest 10.25 % p.a. as at year end (previous year - 10.25 %)
22.3	Term Loans from HDFC Bank, balance outstanding amounting to Rs 350.00 lacs (March 31, 2019 is Rs. 490.00 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 repayable in 20 quarterly Installment starting from Nov 2017. Last installment due in Aug 2022. Rate of Interest 9.35 % p.a. as at year end (Previous Year 9.35 %)
22.4	Term Loans from HDFC Bank, balance outstanding amounting to Rs 1994.10 lacs (March 31, 2019 is Rs.2228.70 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 May 2028. Rate of Interest 9.35 % p.a. as at year end (Previous Year 9.35 %.)
22.5	Term Loans from HDFC Bank, balance outstanding amounting to Rs 128.69 lacs (March 31, 2019 is Rs. 180.17 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 repayable in 19 quarterly Installment starting from Feb 2018. Last installment due in Aug 2022. Rate of Interest 9.40% p.a. as at year end (Previous Year 9.40%)
22.6	Term Loan from Yes Bank, balance outstanding amounting to Rs. 258.40 lacs (March 31, 2019 Rs. nil 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 repayable in 20 Quarterly Installment starting from July 2019. Last installment due in April 2024. Rate of interest 10.35 % p.a. as at year end.
22.7	Term Loan from Yes Bank, balance outstanding amounting to Rs. 300.00 Lacs (March 31, 2019 Rs. 400.00) 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 repayable in 20 Quarterly Installment starting from June 2018. Last installment due in Mar 2023. Rate of interest 10.35 % p.a. as at year end (previous year - 10.50 %)
22.8	Vehicle Loans are secured by way of hypothecation of vehicles financed by the Bank.	

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

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>OTHER NON CURRENT FINANCIAL LIABILITIES</b>		
(a) Security Deposit with related parties	<b>78.67</b>	153.18
(b) Lease Liability	<b>340.18</b>	-
<b>TOTAL</b>	<b><u>418.85</u></b>	<u>153.18</u>

**24. NON-CURRENT PROVISION**

(a) Provision for Employees Benefit	<b>40.37</b>	106.87
<b>TOTAL</b>	<b><u>40.37</u></b>	<u>106.87</u>

**25. OTHER NON-CURRENT LIABILITY**

(a) Government Grant	<b>25.63</b>	27.71
(b) Advance Lease Rent	<b>83.71</b>	0.12
<b>TOTAL</b>	<b><u>109.34</u></b>	<u>27.83</u>

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

Related to Fixed Assets	<b>573.01</b>	1,005.45
<b>TOTAL</b>	<b><u>573.01</u></b>	<u>1,005.45</u>

**27. CURRENT BORROWING****Secured**

- Working Capital Loans From Banks	<b>35,926.80</b>	30,348.91
- Year-End Exchange Fluctuation	<b>1,306.46</b>	-
<b>TOTAL</b>	<b><u>37,233.26</u></b>	<u>30,348.91</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	<b>260.51</b>	-
(b) Payable to others than Micro and small Enterprises	<b>1,818.11</b>	5,498.02
(c) Payable to Related Parties	<b>1,503.87</b>	1,429.56
(refer note no 55)		
(d) Payable to Micro and Small Enterprises	<b>748.14</b>	932.37
<b>TOTAL</b>	<b><u>4,330.63</u></b>	<u>7,859.95</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:

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
a) The principal amount remaining unpaid to any supplier at the end of the year	<b>748.14</b>	932.37
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**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Current maturities of Long -Term debt	<b>807.03</b>	744.56
(b) Interest Accrued	<b>124.92</b>	101.67
(c) Unpaid Dividend	<b>8.53</b>	8.65
(d) Due to Employee	<b>249.18</b>	312.65
(e) Expenses Payable	<b>111.87</b>	382.50
(f) Statutory Dues Payable	<b>106.40</b>	151.99
(g) Capital Creditors	<b>9.20</b>	85.40
(h) Other Payable	<b>13.65</b>	22.25
(i) Derivatives-Foreign Exchange Forward Contract	<b>403.68</b>	-
(j) Lease Liability	<b>79.24</b>	-
<b>TOTAL</b>	<b><u>1,913.70</u></b>	<u>1,809.67</u>

**30. PROVISIONS**

(a) Provision for Employees Benefits	<b>160.09</b>	122.84
<b>TOTAL</b>	<b><u>160.09</u></b>	<u>122.84</u>

**31. OTHER CURRENT LIABILITIES**

(a) Advance from Customer	<b>217.62</b>	517.23
(b) Advance Lease Rent	-	7.99
<b>TOTAL</b>	<b><u>217.62</u></b>	<u>525.22</u>



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

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>Sales of products</b>		
(a) Manufactured Goods	<b>54,041.28</b>	55,825.38
(b) Stock-in-trade	<b>377.03</b>	1,546.21
<b>Sales of Services</b>	<b>154.61</b>	321.38
<b>Other Operating Revenues</b>		
(a) Export Incentives	<b>3,306.99</b>	3,516.30
(b) Foreign Exchange Gain	<b>(412.43)</b>	(279.65)
<b>TOTAL</b>	<b><u>57,467.48</u></b>	<u>60,929.62</u>

**32.1 Reconciliation of revenue recognised in statement of Profit and Loss with contracted price**

Revenue as per contracted price	<b>54,690.17</b>	57,782.73
Less: Discount, rebates etc.	<b>117.25</b>	89.76
<b>Total Revenue from contract with customers</b>	<b><u>54,572.92</u></b>	<u>57,692.97</u>

**32.2 Revenue by location of customers**

India	<b>3,824.76</b>	5,654.40
Outside India	<b>50,748.16</b>	52,038.57
<b>Total Revenue from contract with customers</b>	<b><u>54,572.92</u></b>	<u>57,692.97</u>

**33. OTHER INCOME**

(a) Interest Income from loan & advances	<b>12.88</b>	26.11
(b) Dividend Income from current investment	-	0.01
(c) <b>Other non operating income</b>		
- Profit on sale of Current Investments(Net)	-	45.80
- Rental Income	<b>288.72</b>	326.38
- Profit on sale of Property, Plant & Equipment	<b>1.51</b>	0.40
- Other Income	<b>5.74</b>	14.05
<b>TOTAL</b>	<b><u>308.85</u></b>	<u>412.75</u>

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

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Opening Stock	<b>30,803.29</b>	26,416.25
Add : Purchases	<b>33,555.31</b>	38,478.18
	<b>64,358.60</b>	64,894.43
Less : Closing Stock	<b>32,160.81</b>	30,803.29
<b>TOTAL</b>	<b>32,197.79</b>	34,091.14

**35. CHANGE IN INVENTORIES OF FINISHED GOODS**

(a) Opening Stock	<b>7,706.86</b>	6,292.32
(b) Closing Stock	<b>8,558.17</b>	7,706.86
<b>Decrease/(Increase)</b>	<b>(851.31)</b>	(1,414.54)

**36. EMPLOYEE BENEFIT EXPENSES**

(a) Salary & Allowances	<b>3,637.75</b>	3,354.90
(b) Contribution to Provident & Other fund	<b>250.35</b>	233.67
(c) Staff Welfare Expenses	<b>157.67</b>	137.95
(d) Employee Stock Option Plan	<b>37.01</b>	35.98
<b>TOTAL</b>	<b>4,082.78</b>	3,762.50

**37. FINANCE COST**

(a) Interest Expense- Net	<b>1,676.02</b>	2,231.52
(b) Borrowing Cost	<b>224.69</b>	392.40
(c) Exchange difference regarded as an adjustment to borrowing cost	<b>395.71</b>	252.80
<b>TOTAL</b>	<b>2,296.42</b>	2,876.72

**38. DEPRECIATION AND AMORTISATION**

(a) Depreciation on Property Plant and Equipment	<b>682.65</b>	610.49
(b) Amortisation on Intangible Assets	<b>75.50</b>	71.19
(c) Depreciation on Investment Property	<b>10.91</b>	10.91
(d) Amortisation on Right of Use Assets	<b>104.10</b>	-
<b>TOTAL</b>	<b>873.16</b>	692.59

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****39. OTHER EXPENSES**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b><u>(I) Manufacturing Expenses</u></b>		
(a) Fabrication Charges	<b>11,066.33</b>	11,355.55
(b) Other Manufacturing Expenses	<b>382.76</b>	398.02
(c) Freight & Cartage	<b>100.18</b>	136.86
<b><u>(II) Selling &amp; Administrative Expenses</u></b>		
(a) Legal And Professional Charges	<b>675.89</b>	496.84
(b) Power & Fuel	<b>183.31</b>	179.53
(c) Bank Charges	<b>408.70</b>	250.63
(d) Repair & Maintenance		
- Building	<b>50.62</b>	67.78
- Plant & Machinery	<b>68.47</b>	77.46
- Others	<b>500.87</b>	446.83
(e) Communication	<b>68.32</b>	73.64
(f) Rates Taxes & Duties	<b>26.82</b>	24.99
(g) Insurance	<b>70.01</b>	53.31
(h) Rent	<b>80.22</b>	168.45
(i) Travelling & Conveyence	<b>952.73</b>	1,083.60
(j) Freight on Exports	<b>731.58</b>	887.00
(k) Commission, Brokerage & Discount	<b>369.81</b>	868.35
(l) Loss on Sale /Discard of Property, Plant & Equipment	<b>-</b>	0.17
(m) Misc. Expenses	<b>476.28</b>	413.66
(n) Expenditure towards CSR activites	<b>39.88</b>	9.97
(o) Directors Meeting Fees	<b>2.58</b>	0.99
(p) Packing Expenses	<b>113.75</b>	349.63
(q) Bad Debts	<b>-</b>	128.05
<b>TOTAL</b>	<b><u>16,369.11</u></b>	<b><u>17,471.31</u></b>

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

Current Tax on taxable income for the year	<b>792.32</b>	541.88
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**II) Deferred Tax**

Relating to origination and reversal of temporary differences	<b>(442.88)</b>	324.21
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<b>Income tax expenses reported in statement of profit and loss</b>	<b><u>349.44</u></b>	<b><u>866.09</u></b>
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Effective Income Tax Rate	<b>13.98%</b>	34.76%
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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, 2020	Year Ended 31st March, 2019
Accounting profit before tax	2,500.11	2,491.47
<b>Statutory Income Tax Rate (%)</b>	<b>25.17</b>	34.94
Computed tax expenses	<b>629.23</b>	870.63
Impact of adoption of New Tax regime under section 115BAA (Refer Note No. 40.3)	<b>(273.42)</b>	-
Tax in respect of earlier years	-	3.47
Long term capital gain exempt from taxation	-	(16.00)
Income exempt from taxation	-	-
Deduction under section 24 of income tax act	<b>(19.36)</b>	(29.62)
Non-Deductible expenses for tax purpose	<b>12.99</b>	37.61
<b>Income Tax charge to statement of profit and loss account</b>	<b><u>349.44</u></b>	<u>866.09</u>

- 40.2 Deferred Tax Assets /(Liability)

Opening balance	(1,005.45)	(685.39)
Add: Deferred Tax charged/ (credited) to profit & loss account during the year	<b>442.88</b>	(324.20)
Add: Deferred Tax charged/ (credited) to Other Comprehensive Income during the year	<b>(10.44)</b>	4.14
<b>Closing Balance</b>	<b><u>(573.01)</u></b>	<u>(1,005.45)</u>

- 40.3 The Company had elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance Act, 2019. Accordingly, the companies had recognised provision for taxation and re-measured its deferred tax liabilities basis the rate prescribed in the said section and the impact of tax expense of current year and re-measurement of deferred tax liabilities is recognised in these financial statements.

### 41. CONTINGENT LIABILITIES

Particulars	As at 31st March, 2020	As at 31st March, 2019
i) Letter of Credit / Import Bills outstanding -	<b>405.71</b>	834.69
ii) Standby Letter of credit (SBLC) issued by company bankers in favour of the bankers of its subsidiaries		
- Ultima S A	<b>8,962.63</b>	9,257.58
- World Fashion Trade Ltd.	-	242.06
iii) Other Guarantee given by bank -with Corporation Bank	-	20.85
iv) Corporate Guarantee given by the company to a bank against facilities granted by that bank to its wholly owned subsidiaries Ultima SA, Ultima Italia & World Fashion Trade Ltd.	<b>416.40</b>	388.40
v) Karnataka Vat Demand Under dispute	<b>56.60</b>	56.60
vii) TNVAT demand under dispute	-	525.32

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****42. CAPITAL AND OTHER COMMITMENTS**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
i) Estimated value of contract remaining to be executed on capital Account and not provided for	-	173.45
ii) Commitments under import of capital goods at concessional rate of custom duty.	-	12.22

**43. EMPLOYEE BENEFITS PLANS**

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

## a) Defined Contribution Plans

<b>Particulars</b>	<b>For the Year Ended 31st March, 2020</b>	<b>For the Year Ended 31st March, 2019</b>
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Provident Fund*	<b>186.03</b>	178.47
b) Employees State Insurance Corporation	<b>1.83</b>	2.77

## 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:**

<b>Principal Assumptions</b>	<b>Gratuity</b>	
	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Expected return on plan assets	<b>6.60%</b>	7.69%
Discount rate	<b>6.60%</b>	7.69%
Salary increase rate	<b>3% for two year and 6% thereafter</b>	6.00%
Employee turnover	<b>5.00%</b>	5.00%
In service mortality	<b>IALM (2012-14)</b>	IALM (2006-08)

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

<b>Particulars</b>	<b>Gratuity</b>	
	<b>For the Year Ended 31st March, 2020</b>	<b>For the Year Ended 31st March, 2019</b>
Current Service Cost	<b>55.38</b>	45.64
Net Interest Expenses	<b>7.06</b>	6.80
Past Service Cost		-
<b>Components of defined benefit costs recognised in profit or Loss</b>	<b>62.44</b>	52.44
Re-measurement on the Net Defined Benefit liability:		
Actuarial (gains)/ losses on obligation for the year	<b>(43.71)</b>	13.81
Return On Plan Assets	<b>2.96</b>	(1.96)
<b>Net (Income)/Expenses for the year ended recognized in OCI</b>	<b>(40.75)</b>	11.85

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****iii) The amount included in the Balance Sheet arising from the entity's obligation in respect of its Defined Benefit Obligation**

<b>Particulars</b>	<b>Gratuity</b>	
	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Present Value of Defined Benefit Obligation	<b>361.59</b>	361.47
Fair Value of Plan Asset	<b>(321.22)</b>	(254.60)
<b>Net Liability arising from Defined Benefit Obligation</b>	<b><u>40.37</u></b>	<u>106.87</u>

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

<b>Particulars</b>	<b>Gratuity</b>	
	<b>For the Year Ended 31st March, 2020</b>	<b>For the Year Ended 31st March, 2019</b>
Opening Defined Obligation	<b>361.46</b>	311.21
Interest Cost	<b>7.06</b>	24.52
Current Service Cost	<b>55.38</b>	45.64
Past Service Cost		-
Benefits Paid Directly by the Employer	<b>(38.20)</b>	(33.72)
Actuarial (gains)/ Losses	<b>(43.71)</b>	13.81
Closing Defined Benefit Obligation	<b><u>341.99</u></b>	<u>361.46</u>

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

Opening fair Value of Plan Assets *	<b>254.60</b>	224.92
Interest Income	<b>19.58</b>	17.72
Contribution by the Employer	<b>88.20</b>	10.00
Return On Plan Assets Excluding Interest Income	<b>(41.16)</b>	1.96
Closing fair Value of Plan Assets	<b>321.22</b>	254.60

**\* Fund managed by the approved insurance company Kotak Life Insurance**

Investment With Insurer	<b>100.00%</b>	100.00%
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**Sensitivity Analysis**

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

<b>Particulars</b>	<b>Increase Effect</b>	<b>Decrease Effect</b>
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)

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

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2019 is as follows:

<b>Particulars</b>	<b>Increase Effect</b>	<b>Decrease Effect</b>
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(23.39)	26.78
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	24.24	(22.15)
Effect of Increase/decrease in employee turnover by 1% on Defined benefit obligations	2.29	(2.70)

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

**44. EARNING PER SHARE**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2020</b>
Profit/(loss) for the year	<b>2,150.67</b>	1,625.38
<b>No. of share at the beginning of the year (A)</b>	<b>12,194,174</b>	12,181,254
Equity allotted during the year	<b>7,695</b>	12,920
<b>Weighted average shares (B)</b>	<b>3,345</b>	3,673
Weighted average shares outstanding (nos.) (A+B)	<b>12,197,519</b>	12,184,927
<b>Effect of diluted number of share</b>		
Add:- Employee stock option plan	<b>43,690</b>	44,551
Add:- Convertible preferential share warrant	-	40,274
Weighted average number of equity share for diluted earning per share	<b>12,241,209</b>	12,269,752
Basic earning per share	<b>17.63</b>	13.34
Diluted earning per share	<b>17.57</b>	13.25

**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.

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

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

<b>Grant Date</b>	<b>April 5, 2018</b>			
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

<b>Grant Date</b>	<b>February 03, 2018</b>			
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

<b>Grant Date</b>	<b>December 31, 2015</b>		
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

<b>Grant Date</b>	<b>September 16, 2015</b>		
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

<b>Grant Date</b>	<b>January 28, 2014</b>	
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, 2020 is as under:

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Number of options outstanding at the beginning of the period	<b>99,518.00</b>	93,004.00
Number of options granted during the year	-	30,000.00
Number of options forfeited / lapsed during the year	-	10,566.00
Number of options vested during the year	<b>11,000.00</b>	38,484.00
Number of options exercised during the year	<b>7,695.00</b>	12,920.00
Number of shares arising as a result of exercise of options	<b>7,695.00</b>	12,920.00
Money realized by exercise of options (INR), if scheme is implemented directly by the company	<b>Rs. 3,84,750</b>	Rs. 6,46,000
Loan repaid by the Trust during the year from exercise price received	<b>NA</b>	NA
Number of options outstanding at the end of the year	<b>91,823.00</b>	99,518.00
Number of options exercisable at the end of the year	<b>45,823.00</b>	42,518.00



## NOTES TO THE STANDALONE 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 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%

### 47. DETAILS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Gross amount required to be spent	46.25	44.91
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	39.88	9.97
(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	10.00
Limited Review	4.50	4.50
Reimbursement of Expenses	1.50	1.50
Certification	0.42	0.40

### 50. EXPENSES CAPITALISED DURING THE YEAR

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

Salaries, Allowances and bonus	-	159.00
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### 51. FAIR VALUE MEASUREMENT

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

The following methods and assumptions were used to estimate the fair values:

Trade receivables, cash and cash equivalents, other bank balances, short term loans, other current financial assets, current borrowings, trade payables and other current financial liabilities: approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

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

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

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

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

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	Rs. in Lakhs			
	As at 31st March, 2020			
	Carrying Amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
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	319.82	-	-	319.82
Other financial assets	2,743.34	-	-	2,743.34
<b>At FVTPL</b>				
Investments	0.01	0.01	-	-
Other financial assets	-	-	-	-
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings	40,488.49	-	-	40,488.49
Trade payables	4,330.63	-	-	4,330.63
Other financial liabilities	1,928.87	-	-	1,928.87
<b>At FVTPL</b>				
Other financial liabilities	403.68	-	403.68	-
<b>Particulars</b>	<b>As at 31st March, 2019</b>			
	<b>Carrying Amount</b>	<b>Level of input used in</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivable	7,127.81	-	-	7,127.81
Cash & cash equivalents	1,319.53	-	-	1,319.53
Other bank balance	800.49	-	-	800.49
Loans	418.59	-	-	418.59
Other financial assets	3,703.01	-	-	3,703.01
<b>At FVTPL</b>				
Investments	0.01	0.01	-	-
Other financial assets	539.82	-	539.82	-
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings	34,071.09	-	-	34,071.09
Trade payables	7,859.95	-	-	7,859.95
Other financial liabilities	1,218.29	-	-	1,218.29
<b>At FVTPL</b>				
Other financial liabilities	-	-	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 52. 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, 2020	As at 31st March, 2019
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 22, 27 & 29)	<b>40,488.49</b>	34,071.09
Less: Cash and cash equivalents (Note 15)	<b>3,625.40</b>	1,319.53
<b>Net Debt</b>	<b>36,863.09</b>	32,751.56
Equity Share Capital	<b>1,220.19</b>	1,219.42
Other Equity	<b>27,736.68</b>	25,692.36
<b>Total Capital</b>	<b>28,956.87</b>	26,911.78
<b>Capital and Net Debt</b>	<b>65,819.96</b>	59,663.34
<b>Gearing Ratio</b>	<b>56.01%</b>	54.89%

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, 2020 and 31st March, 2019.

### 53. 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, 2020	As at 31st March, 2019
Not Due	<b>5,341.04</b>	3,132.54
Less than 6 month	<b>1,949.16</b>	3,644.55
More than 6 month	<b>450.33</b>	350.71

## 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, 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
Other Financial Liabilities	1,633.87	177.40	117.60	1,928.87

Particulars	As at 31st March, 2019			
	0-1 year	1-5 year	Beyond 5 year	Total
Borrowing (Including current maturity of long term borrowing)	31,093.47	1,931.13	1,046.49	34,071.09
Trade Payable	7,859.95	-	-	7,859.95
Other Financial Liabilities	1,218.29	-	-	1,218.29

### 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, 2020	As at 31st March, 2019
Total Borrowings	40,488.49	34,071.09
% of Borrowings out of above bearing variable rate of interest	91.96%	89.08%

### 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	339.51	334.17
100 bp decrease would Increase the profit before tax by	339.51	334.17

## 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, 2020		As at 31st March, 2019	
	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities	Foreign Currency Monetary Assets	Foreign Currency Monetary Liabilities
USD	91.73	463.10	42.33	359.35
EURO	19.50	215.97	2.87	162.66
GBP	30.44	69.91	41.68	53.26
HKD	0.22	0.58	0.01	0.29

### 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, 2020		As at 31st March, 2019	
	5% Weakened	5% Strengthen	5% Weakened	5% Strengthen
Foreign Currency Monetary Assets				
USD	347.01	(347.01)	146.37	(146.37)
EURO	81.20	(81.20)	11.16	(11.16)
GBP	142.99	(142.99)	187.97	(187.97)
HKD	0.11	(0.11)	-	-
Foreign Currency Monetary Liabilities				
USD	(1,751.68)	1,751.68	(1,242.62)	1,242.62
EURO	(899.19)	899.19	(631.77)	631.77
GBP	(328.37)	328.37	(240.26)	240.26
HKD	(0.28)	0.28	(0.13)	0.13
Impact on Profit or Loss as at the end of reporting year	(2,408.21)	2,408.21	(1,769.28)	1,769.28

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, 2020		As at 31st March, 2019	
	Currency	Foreign Currency Lacs	Currency	Foreign Currency Lacs
Forwards Contracts	USD	105.00	USD	83.50
	EURO	17.00	EURO	22.50
	GBP	40.50	GBP	30.00

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)

### 54. TRANSITION TO IND AS 116 'LEASES'

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – 'Leases' and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Company has elected below practical expedients on transition to Ind AS 116

- i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- ii) Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
- iii) Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- iv) Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

- v) The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings.
- vi) The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- vii) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 9%.

#### A) Leases as lessee

##### i) The movement in Lease liabilities during the year

Particulars	As at 31st March, 2020
Opening Balance	-
Balance as at 1st April, 2019 (On adoption of IND AS -116)	<b>460.62</b>
Addition during the year	<b>20.75</b>
Finance Costs incurred during the year	<b>39.10</b>
Payment of lease Liabilities	<b>(101.04)</b>
<b>Balance as at 31st March, 2020</b>	<b><u>419.43</u></b>

##### ii) The carrying value of the Rights-of-use and depreciation charged during the year

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note -4.2 "Right of use assets".

##### (iii) Amounts recognised in Statement of Cash Flows

Total Cash out flow for Leases	<b>(101.04)</b>
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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)****Rs. in Lakhs****(iv) Maturity Analysis of Lease Liabilities**

<b>Particulars</b>	<b>As at 31st March, 2020</b>
<b>Maturity Analysis of contractual undiscounted Cash Flows</b>	
Less than one year	<b>113.66</b>
One to five years	<b>239.89</b>
More than five years	<b>253.80</b>
<b>Total undiscounted Lease Liability</b>	
<b>Balances of Lease Liabilities</b>	
Non Current Lease Liability	<b>340.18</b>
Current Lease Liability	<b>79.24</b>
<b>Total Lease Liability</b>	<b>419.42</b>

**55. RELATED PARTY DISCLOSURES AS PER IND AS 24****a) Name of Related Parties & Nature of Relationship:****i) Subsidiary Companies :**

	<b>Country</b>	<b>Ownership Interest</b>
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
Snehdeep Aggarwal	Managing Director (till date 31.05.2019)

**iv) Non-Executive Directors**

Snehdeep Aggarwal	Director (w.e.f 0.1.06.2019)
Ramesh Bhatia	Director
C.L. Handa	Independent Director
Sandeep Seth	Independent Director
Shashank	Independent Director
A. Sahasranaman	Independent Director
Annapurna Dixit	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
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**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**

<b>Particulars</b>	<b>Rs. in Lakhs</b>	
	<b>2019-20</b>	<b>2018-19</b>
<b>b) Transactions during the year with related parties :</b>		
<b>1. Sales</b>		
Ultima S.A.	<b>3,985.98</b>	3,011.93
Design Industry Ltd.	<b>45.83</b>	2,634.77
J&J Leather Enterprises Ltd.	<b>70.20</b>	21.83
Bhartiya Urban Pvt. Ltd. (Formerly known as Bhartiya City Developers Pvt. Ltd.)	-	0.75
Ultima Italia SRL	-	8.53
<b>2. Other Income</b>		
Ultima S.A.	<b>138.01</b>	313.79
World Fashion Trade Ltd	-	1.23
<b>3. Purchase / Job Work</b>		
Ultima Italia SRL	-	2.03
J & J Leather Enterprises Ltd	<b>2,011.30</b>	1,686.93
Design Industry China Ltd.	<b>7.65</b>	20.95
<b>4. Salaries</b>		
Snehdeep Aggarwal	<b>10.00</b>	18.40
Jaspal Sethi	-	3.80
A.k.Gadhok	-	0.31
Manoj Khattar	<b>97.29</b>	66.06
<b>5. Lease Rent / Rent Paid</b>		
Bhartiya Global Marketing Ltd.	<b>1.00</b>	1.00
J & J Leather Enterprises Ltd	<b>24.00</b>	12.00
<b>6. Commission Expenses</b>		
Ultima Italia SRL	-	398.58
World Fashion Trade Ltd	-	93.93
<b>7. Lease Rent Received</b>		
Bhartiya Urban Pvt. Ltd. (Formerly known as Bhartiya City Developers Pvt. Ltd.)	<b>234.35</b>	264.53
Parushni Interior Designs Pvt Ltd	<b>18.00</b>	18.00
<b>8. Service Charges Paid</b>		
Bhartiya International SEZ Ltd.	<b>37.50</b>	35.15
Bhartiya Fashion Retail Ltd.	<b>10.00</b>	30.51



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

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
<b>9. Other Expenses</b>		
Bhartiya International SEZ Ltd.	-	0.25
<b>10. Legal and Professional Fees</b>		
Itopia Management Services ( India) Pvt. Ltd	<b>4.25</b>	5.00
Robert Burton Moore Jr	<b>89.75</b>	89.95
<b>11. Purchase of Fixed Asset</b>		
Parushni Interior Designs Pvt Ltd.	-	3.78
<b>12. Sitting Fee</b>		
Ramesh Bhatia	<b>0.03</b>	0.03
C.L. Handa	<b>0.56</b>	0.23
Sandeep Seth	<b>0.75</b>	0.30
Shashank	<b>0.63</b>	0.30
A. Sahasranaman	<b>0.36</b>	0.08
Annapurna Dixit	<b>0.25</b>	0.06
<b>13. Contribution to Gratuity Trust</b>		
Bhartiya International Ltd Employees Group Gratuity Scheme	<b>50.00</b>	10.00
<b>c) Balances Outstanding at the Year End:</b>		
<b>1. Loan Given</b>		
Bhartiya Fashion Retail Ltd.	-	12.00
<b>2. Advance Paid</b>		
Ultima S.A.	<b>11.50</b>	11.50
Bhartiya Urban Pvt. Ltd. (Bhartiya City Developers Pvt. Ltd.)	<b>22.11</b>	60.49
<b>3. Advance with suppliers</b>		
J & J Leather Enterprises Ltd.	<b>630</b>	42.74
Design Industry China Ltd.	<b>1.12</b>	0.41
Ultima S.A.	<b>148.05</b>	-
<b>4. Trade Receivable</b>		
Designs Industry Ltd.	<b>19.54</b>	2.78
Ultima S.A.	<b>212.69</b>	166.21
Ultima Italia SRL	<b>1.44</b>	1.34
<b>5. Security Deposit (Paid)</b>		
Bhartiya Global Marketing Ltd.	<b>5.00</b>	5.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (CONTD.)**

Particulars	Rs. in Lakhs	
	2019-20	2018-19
<b>6. Trade Payables</b>		
Bhartiya International SEZ Ltd.	<b>11.85</b>	37.94
Ultima Italia SRL	<b>1,488.47</b>	1,388.38
World Fashion Trade Ltd.	<b>3.55</b>	3.24
<b>7. Expenses/Others Payables</b>		
Itopia Management services(India) Pvt. Ltd.	-	-
Bhartiya Global Marketing Ltd.	-	0.18
Bhartiya Fashion Retail Ltd.	-	2.80
<b>8. Security Deposit (Received)</b>		
Bhartiya Urban Pvt. Ltd. (Bhartiya City Developers Pvt. Ltd.)	<b>159.79</b>	159.79
Parushni Interior Designs Pvt Ltd.	<b>1.50</b>	1.50
<b>9. Advance For Supplies</b>		
Ultima S.A.	-	371.92
<b>10. Standby Letter of Credit (SBLC) Issued by Company Bankers</b>		
World Fashion Trade Ltd.	-	242.06
Ultima S.A.	<b>8,962.63</b>	9,257.58
<b>11. Corporate Guarantee given by Company</b>		
World Fashion Trade,Ultima Italia SRL and Ultima S.A.	<b>416.40</b>	388.40

**56. COVID-19 ASSESSMENT**

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of all plants and offices following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March, 2020. However, for the first quarter of F.Y. 2020-21, being lockdown months, the revenues and profitability of the company are likely to be adversely impacted and since the business situation is very dynamic, the company is closely monitoring it. However, the assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, accordingly the impact may be different from that estimated now.

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, 2020

**Shilpa Budhia**

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

## 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, 2020	INR (lacs)	499.90	(102.87)	404.10	7.07	322.68	0.00	(0.62)	3.23	(3.85)	100.00
J&J Leather Enterprises Ltd.	31st March, 2020	INR (lacs)	207.50	313.73	2270.73	1749.50	35.00	1942.30	1.05	9.71	(8.66)	100.00
Bhartiya International SEZ Ltd.	31st March, 2020	INR (lacs)	1356.92	(26.48)	1343.70	13.25	-	37.50	(14.65)	-	(14.65)	88.95
Bhartiya Urban Infrastructure Ltd.	31st March, 2020	INR (lacs)	5.00	(2.09)	2.97	0.06	-	0.50	(0.01)	0.01	(0.02)	100.00
Bhartiya Fashion Retail Ltd.	31st March, 2020	INR (lacs)	50.00	(44.42)	6.81	1.22	-	10.00	4.58	-	4.58	100.00
Ultima S. A	31st March, 2020	CHF	1000000.00	6759031.94	17147701.39	9388669.45	2480930.00	21927151.57	547876.98	63512.50	484364.48	100.00
Design Industry Ltd.	31st March, 2020	HK\$	1000000.00	2675167.00	18390250.00	15615083.00	-	77688933.00	959185.00	0.00	959185.00	100.00
Design Industry China Ltd.,	31st March, 2020	RMB/Yuan	2000000.00	(569920.44)	1102458.83	1472379.27	-	4834500.70	962657.05	0.00	962657.05	100.00
Ultima Italia SRL	31st March, 2020	EURO	20000000.00	202756.00	4145195.00	1942439.00	-	2351169.00	34396.00	28480.00	5916.00	100.00
World Fashion Trade Ltd.	31st March, 2020	HK\$	5480570.00	(6465080.00)	2444284.00	3428794.00	-	2343545.00	60089.00	0.00	60089.00	100.00

	CHF	HK\$	Euro	RMB Yuan
Exchange rate for Balance Sheet items (except shares capital figures which are stated at invested value)	78.5	9.77	83.28	10.62
Exchange rate for Profit and Loss	71.93	9.07	78.58	10.18

## 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 Pvt Ltd	31st March, 2020	34393260	3999.60	36.77%	Voting Power	Not Applicable	4,642.55	(348.68)	-
Tada Mega Leather Clustrer Pvt. Ltd.	31st March, 2020	5000	0.05	50.00%	Voting Power	Not Applicable	(1.54)	-	-

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2020 are as follows:

(Rs. in Lacs)

PARTICULARS	2019-20	2018-19
Total Income	7.37	7.04
Total Expenses	7.99	19.64
Profit/(Loss) for the year after Tax	(3.85)	(8.67)

### PERFORMANCE REVIEW

The Net Loss after tax during the under review was reported at Rs. 3.85 lacs.

### DIVIDEND

Yours directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2020.

### RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

### SHARE CAPITAL

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

### PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is having only one subsidiary - J&J Leather Enterprises Ltd.

The statement containing the salient feature of the financial statement of Company's subsidiary as required under first proviso to Sub section (3) of Section 129 of the Companies Act, 2013 is annexed after the Company's financial statement.

### EXTRACT OF ANNUAL RETURN

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

### DIRECTORS

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, Ms. Jaspal Sethi (DIN: 01689695), 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 2019-20, five Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2019-20 is provided below:

Date of Board Meetings	Name of Directors Presents			
	Mr. Ramesh Bhatia	Mr. Manoj Khattar	Ms. Jaspal Sethi	Mr. Ashok Kumar Gadhok
25.05.2019	Present	Present	Present	Present
02.08.2019	Absent	Present	Present	Present
30.09.2019	Absent	Present	Present	Present
06.11.2019	Present	Present	Present	Present
10.02.2020	Present	Present	Present	Present

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

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

### RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are provided in notes to accounts. All transactions entered with related parties for the year under review were on arm's length basis and in ordinary course of business. The details of material transactions with related parties is provided in form AOC-2 as 'Annexure B'.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 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 26<sup>th</sup> Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7<sup>th</sup> 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 24<sup>th</sup> 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 2020-21.

Further, 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 2019-20, 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 2020 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 31<sup>st</sup> March, 2020 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, 26<sup>th</sup> June, 2020

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

as on the financial year ended on 31.03.2020

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	:	U74899DL1996PLC075128
ii)	Registration Date	:	03/01/1996
iii)	Name of the Company	:	Bhartiya Global Marketing Ltd.
iv)	Category Sub-Category of Company	:	Public Limited Company
v)	Address of the Regd. Office and contact details	:	E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030 011-46002100
vi)	Whether listed company	:	N.A.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	<b>NIVIS CORP SERVE LLP</b> F-111, First Floor, Aditya Arcade, Plot No 30, Community Centre, Preet Vihar, Delhi- 110092 Contact No: 011-45201005

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. N.	Name and Description of Main Products/Services	NIC Code of the Product/ service	% to total turnover of the company
1	Not Applicable		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

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

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

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



Category of Shareholders	No. of Shares held at beginning of the year				No. of Shares held at end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
c) Individuals	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks/FIIS	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A) (1)+ (A)(2)</b>	-	<b>4999020</b>	<b>4999020</b>	<b>100</b>	-	<b>4999020</b>	<b>4999020</b>	<b>100</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
i. Mutual Funds	-	-	-	-	-	-	-	-	-
ii. Banks / FI	-	-	-	-	-	-	-	-	-
iii. Central Govt.	-	-	-	-	-	-	-	-	-
iv. State Govt(s)	-	-	-	-	-	-	-	-	-
v. Venture	-	-	-	-	-	-	-	-	-
vi. Capital Funds	-	-	-	-	-	-	-	-	-
vii. Insurance Companies	-	-	-	-	-	-	-	-	-
viii. FIs	-	-	-	-	-	-	-	-	-
ix. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
x. Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-				-				
a) Bodies Corp.	-				-				
b) Indian	-	-	-	-	-	-	-	-	-
c) Overseas	-	-	-	-	-	-	-	-	-
d) Individuals	-	-	-	-	-	-	-	-	-
e) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
f) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>4999020</b>	<b>4999020</b>	<b>100</b>	-	<b>4999020</b>	<b>4999020</b>	<b>100</b>	-

ii) **Shareholding of Promoters**

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

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

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

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

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

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

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

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

Particular	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				NIL
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
<b>Net Change</b>				NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				NIL
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

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

**B. Remuneration to other Directors:**

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

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

(Amount in Rs.)

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

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March, 2020.

**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.**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
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.**

<b>S. N.</b>	<b>Name of the Related Party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts / arrangements/ transactions</b>	<b>Salient terms of the contracts / arrangements / transactions including the value, if any</b>	<b>Amount paid as advances, if any</b>
1	Bhartiya International Ltd.	Lease Rent Received	Ongoing basis	Rs. 1,00,000/-	-
2	J & J Leather Enterprises Ltd	Consultancy Received	Ongoing basis	Rs. 6,00,000/-	-

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We have audited the accompanying financial statements of Bhartiya Global Marketing Ltd ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 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: 20094479AAAABZ7096

New Delhi, 26th June, 2020

## 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<sup>st</sup> March 2020, 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: 20094479AAAABZ7096  
 New Delhi, 26th June, 2020

## **ANNEXURE - B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of Bhartiya Global Marketing Ltd. ("the Company") as of 31<sup>st</sup> March, 2020 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<sup>st</sup> March 2020, 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: 20094479AAAABZ7096

New Delhi, 26th June, 2020

**BALANCE SHEET AS AT 31ST MARCH, 2020****Rs. in Lakhs**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>I Assets</b>			
<b>1 Non - Current Assets</b>			
(a) Property, Plant and Equipment	2	<b>1.31</b>	2.58
(b) Investment Property	3	<b>4.93</b>	4.93
(c) Investments in subsidiaries, associate, and joint venture	4	<b>322.68</b>	322.68
(d) Financial Assets			
(i) Loans	5	<b>0.39</b>	0.21
(e) Deferred Tax Assets (Net)		<b>21.13</b>	24.65
<b>2 Current Assets</b>			
(a) Inventories	6	<b>1.52</b>	1.52
(b) Financial Assets			
(i) Trade Receivables	7	<b>6.48</b>	6.66
(ii) Cash and Cash Equivalents	8	<b>30.32</b>	30.47
(iii) Loans	9	<b>0.39</b>	0.39
(c) Current Tax Assets (Net)		<b>0.59</b>	1.21
(d) Other Current Assets	10	<b>14.36</b>	14.37
<b>Total Assets</b>		<b><u>404.10</u></b>	<u>409.67</u>
<b>II Equity And Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	11	<b>499.90</b>	499.90
(b) Other Equity	12	<b>(102.87)</b>	(99.02)
<b>2 Liabilities</b>			
<b>Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	13	<b>0.19</b>	0.17
(b) Other Non-Current Liabilities	14	<b>4.79</b>	4.81
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15	<b>1.52</b>	2.38
(b) Provisions	16	<b>0.55</b>	1.41
(c) Other Current Liabilities	17	<b>0.02</b>	0.02
<b>Total of Equity and Liabilities</b>		<b><u>404.10</u></b>	<u>409.67</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, 26th June, 2020

**Manoj Khattar**

Director

DIN: 00694981

**A.K. Gadhok**

Director

DIN: 01254410

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020****Rs. in Lakhs**

<b>Particulars</b>	<b>Note No.</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>Income:</b>			
Revenue from Operations			
Other Income	18	<b>7.37</b>	7.04
<b>Total Income</b>		<b><u>7.37</u></b>	<u>7.04</u>
<b>Expenses:</b>			
Change in Inventories of Finished Goods	19	-	-
Employee Benefits Expense	20	<b>5.82</b>	17.12
Depreciation and Amortisation Expense	21	<b>0.21</b>	0.35
Other Expenses	22	<b>1.96</b>	2.17
<b>Total Expenses</b>		<b><u>7.99</u></b>	<u>19.64</u>
<b>Profit/ (Loss) before Tax</b>		<b>(0.62)</b>	(12.60)
<b>Tax Expenses</b>	23		
i Current Tax		<b>(0.29)</b>	-
ii Deferred Tax		<b>3.52</b>	(3.93)
<b>Profit / (Loss) for the year</b>		<b><u>(3.85)</u></b>	<u>(8.67)</u>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b><u>(3.85)</u></b>	<u>(8.67)</u>
<b>Earnings per equity share of face value</b>			
Basic (in Rs.)		<b>(0.08)</b>	(0.17)
Diluted (in Rs.)		<b>(0.08)</b>	(0.17)

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, 26th June, 2020

**Manoj Khattar**

Director

DIN: 00694981

**A.K. Gadhok**

Director

DIN: 01254410

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

		Rs. in Lakhs
<b>Particulars</b>	<b>Note No.</b>	<b>Equity Capital (Rs)</b>
a) <b>Equity Share Capital</b>	11	
<b>Balance as at 31st March, 2018</b>		499.90
Change in equity share capital during the year 2018-19		-
<b>Balance as at 31st March, 2019</b>		499.90
Change in equity share capital during the year 2019-20		-
<b>Balance as at 31st March, 2020</b>		499.90

<b>Particulars</b>	<b>Note No.</b>	<b>Retained Earning (Rs)</b>
b) <b>Other Equity</b>	12	
<b>Balance as at 31st March, 2018</b>		<b>(90.35)</b>
Profit/(Loss) for the year 2018-19		(8.67)
Other comprehensive income for the year		-
<b>Balance as at 31st March, 2019</b>		<b>(99.02)</b>
Profit/(Loss) for the year 2018-19		(3.85)
Other comprehensive income for the year		-
<b>Balance as at 31st March, 2020</b>		<b>(102.87)</b>

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, 26th June, 2020

**Manoj Khattar**

Director

DIN: 00694981

**A.K. Gadhok**

Director

DIN: 01254410

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020****Rs. in Lakhs**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before Tax and Exception Items</b>	<b>(0.62)</b>	(12.60)
Adjusted for:		
Depreciation and amortisation expenses	<b>0.21</b>	0.35
Rental income	<b>(1.02)</b>	(1.01)
Loss/(Profit) on sale of Property, Plant & Equipment (net)	<b>(0.29)</b>	-
<b>Operating Profit before Working Capital Changes</b>	<b>(1.72)</b>	(13.26)
Movements in working capital:		
Increase/ (decrease) in other financial liabilities	<b>(0.83)</b>	(2.17)
Increase/ (decrease) in other liabilities	<b>(0.02)</b>	-
Increase/ (decrease) in provisions	<b>(0.87)</b>	(1.43)
Increase/ (decrease) in trade payable	-	(27.19)
Decrease/ (increase) in other current assets	<b>0.02</b>	0.03
Decrease/ (increase) in inventories		-
Decrease/ (increase) trade receivables	<b>0.18</b>	28.36
Decrease/ (increase) in current loans	<b>(0.18)</b>	1.85
<b>Cash Generated from Operations</b>	<b>(3.42)</b>	(13.81)
Income tax paid (Net)	<b>(0.90)</b>	(0.03)
<b>Net Cash (used in)/ Generated from Operating Activities - (A)</b>	<b>(2.52)</b>	(13.78)
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Rental income	<b>1.02</b>	1.01
Proceeding from sale of property plant & equipment	<b>1.35</b>	-
<b>Net Cash from/ (used in) Investing Activities - (B)</b>	<b>2.37</b>	1.01
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net cash from/ (used in) financing activities - (C)	-	-
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	<b>(0.15)</b>	(12.77)
Cash and Cash Equivalents - Opening Balance	<b>30.47</b>	43.24
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>30.32</b>	30.47

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, 26th June, 2020

**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 limited is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company has its registered office at New Delhi .The Company is in the business of trading of leather & textile products.

### 1.2 BASIS OF PREPARATION

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

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in Division II Ind AS Schedule III to the Companies Act, 2013.

These financial statements are prepared under the historical cost convention unless otherwise indicated.

### 1.3 SIGNIFICANT ACCOUNTING POLICIES

#### a) Property, Plant and Equipment

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

Depreciation is provided on straight-line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Companies Act 2013.

#### b) Investment Properties

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

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

#### c) Investment In Subsidiaries

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

#### d) Inventories

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

#### e) Cash & Cash Equivalents

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

#### f) Revenue Recognition

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

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

#### Revenue from Services

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

**NOTES (CONTD.)****g) Interest Income**

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

**h) Income Tax**

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

**Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred Tax**

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

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

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

**i) Employee Benefits****Defined Contribution Plan**

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

**Defined Benefit Plan**

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

**j) Foreign Currency Translation**

The Company's financial statements are presented in Indian currency, which is also the company's functional currency.

**Transactions and Balances**

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

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

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

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

**k) Provision and Contingent Liabilities**

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

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

**NOTES (CONTD.)****I) 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 Overdraft .

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**

<b>Particulars</b>	<b>Furniture and Fixtures</b>	<b>Vehicles</b>	<b>Office Equipment</b>	<b>Computer Equipment</b>	<b>Total</b>
<b>Gross Carrying Amount</b>					
<b>Cost as at 31st March, 2018</b>	0.81	2.47	0.25	0.21	3.74
Addition					
Disposal					
<b>Cost as at 31st March, 2019</b>	0.81	2.47	0.25	0.21	3.74
Addition	-	-	-	-	-
Disposal	-	2.33	-	-	2.33
<b>Balance as at 31st March, 2020</b>	<b>0.81</b>	<b>0.14</b>	<b>0.25</b>	<b>0.21</b>	<b>1.41</b>
<b>Accumulated Depreciation</b>					
<b>Balance as at 31st March, 2018</b>	-	0.72	0.09	-	0.81
Addition	-	0.35	-	-	0.35
Disposal					
<b>Balance as at 31st March, 2019</b>	-	1.07	0.09	-	1.16
Addition	-	0.21	-	-	0.21
Disposal	-	1.27	-	-	1.27
<b>Balance as at 31st March, 2020</b>	<b>-</b>	<b>0.01</b>	<b>0.09</b>	<b>-</b>	<b>0.10</b>
<b>Net Carrying Amount</b>					
<b>Balance as at 31st March, 2019</b>	<b>0.81</b>	<b>1.40</b>	<b>0.16</b>	<b>0.21</b>	<b>2.58</b>
<b>Balance as at 31st March, 2020</b>	<b>0.81</b>	<b>0.13</b>	<b>0.16</b>	<b>0.21</b>	<b>1.31</b>

**NOTES (CONTD.)**

<b>3. INVESTMENT PROPERTY</b>	<b>Rs. in Lakhs</b>
<b>Particulars</b>	<b>Land</b>
<b>Gross Carrying Amount</b>	
<b>Cost as at 31st March, 2018</b>	4.93
Addition	-
Disposal	-
<b>Cost as at 31st March, 2019</b>	<b>4.93</b>
Addition	-
Disposal	-
<b>Balance as at 31st March, 2020</b>	<b>4.93</b>
<b>Accumulated Depreciation</b>	
<b>Balance as at 31st March, 2018</b>	-
Addition	-
Disposal	-
<b>Balance as at 31st March, 2019</b>	-
Addition	-
Disposal	-
<b>Balance as at 31st March, 2020</b>	-
<b>Net Carrying Amount</b>	
<b>Balance as at 31st March, 2019</b>	4.93
<b>Balance as at 31st March, 2020</b>	4.93
<b>Fair Value</b>	
<b>As at 31st March, 2019</b>	698.50
<b>As at 31st March, 2020</b>	<b>698.50</b>

**3.1**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Rental income derived from investment properties	<b>1.00</b>	1.00
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
<b>Income arising from investment properties before depreciation</b>	<b>1.00</b>	1.00
Depreciation	-	-
<b>Income from investment properties (Net)</b>	<b>1.00</b>	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, 2020	As on 31 st March, 2019	
<b>A INVESTMENTS IN SUBSIDIARIES</b>			
<b>i. Equity Instrument at Cost (Unquoted)</b>			
- 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>	
<b>Aggregate amount of unquoted Investments before impairment</b>	<b>322.68</b>	322.68	
<b>Less: Provision for diminution in value of investment</b>	-	-	
<b>Aggregate amount of unquoted Investments after impairment</b>	<b>322.68</b>	322.68	
<b>5. NON-CURRENT LOAN</b>			
(Unsecured & Considered Good)			
(a) Security and Other Deposits	0.39	0.21	
<b>TOTAL</b>	<u>0.39</u>	<u>0.21</u>	
<b>6. INVENTORIES</b>			
(a) Finished Goods	1.52	1.52	
<b>TOTAL</b>	<u>1.52</u>	<u>1.52</u>	
<b>7. TRADE RECEIVABLES</b>			
(Unsecured, Considered Good)			
(a) Trade Receivables	-	-	
(b) Receivable from Related Parties	6.48	6.66	
<b>TOTAL</b>	<u>6.48</u>	<u>6.66</u>	
<b>8. CASH AND CASH EQUIVALENTS</b>			
a) Balances with Banks			
In Current Accounts	28.44	28.57	
b) Cash on Hand	1.88	1.90	
<b>TOTAL</b>	<u>30.32</u>	<u>30.47</u>	
<b>9. CURRENT LOAN</b>			
(Unsecured & Considered Good)			
(a) Loan to Employee	0.39	0.39	
<b>TOTAL</b>	<u>0.39</u>	<u>0.39</u>	
<b>10. OTHER CURRENT ASSETS</b>			
a) Prepaid Expenses	0.01	0.02	
b) Mat Credit Entitlement	14.35	14.35	
<b>TOTAL</b>	<u>14.36</u>	<u>14.37</u>	

**NOTES (CONTD.)****11. SHARE CAPITAL** **Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>Authorised Share Capital</b>		
a) 50,00,000 ( Previous Year 50,00,000) Equity Shares of Rs.10/- each.	<b>500.00</b>	500.00
	<b><u>500.00</u></b>	<u>500.00</u>
<b>Issued, Subscribed &amp; Paid up :</b>		
a) 49,99,020 ( Previous Year 49,99,020) Equity Shares of Rs.10/- each, Fully Paid Up.	<b>499.90</b>	499.90
<b>TOTAL</b>	<b><u>499.90</u></b>	<u>499.90</u>

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

<b>Particulars</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2020 Amount (Rs.)</b>	<b>As at 31st March, 2019 No. of Shares</b>	<b>As at 31st March, 2019 Amount (Rs.)</b>
Shares outstanding at the beginning of the year	<b>4,999,020</b>	<b>499.90</b>	4,999,020	499.90
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>4,999,020</b>	<b>499.90</b>	4,999,020	499.90

11.2 The details of Shareholders holding more than 5% shares:

<b>Name of the share holders</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2020 % of Holding</b>	<b>As at 31st March, 2019 No. of Shares</b>	<b>As at 31st March, 2019 % of Holding</b>
(a) Bhartiya International Ltd.	<b>4,999,020</b>	<b>100</b>	4,999,020	100.00

11.3 Shares held by holding company and subsidiaries of holding company in aggregate:

<b>Particulars</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2019 No. of Shares</b>
(a) Shares held by holding company, Bhartiya International Ltd.	<b>4,999,020</b>	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**

<b>Particulars</b>	<b>Retained Earning</b>	<b>Total</b>
<b>Balance as at 31st March, 2018</b>	<b>(90.35)</b>	<b>(90.35)</b>
Profit for the year	(8.67)	(8.67)
Other comprehensive income for the year	-	-
<b>Balance as at 31st March, 2019</b>	<b>(99.02)</b>	<b>(99.02)</b>
Profit for the year	(3.85)	(3.85)
Other comprehensive income for the year	-	-
<b>Balance as at 31st March, 2020</b>	<b>(102.87)</b>	<b>(102.87)</b>

**NOTES (CONTD.)****13. OTHER NON-CURRENT FINANCIAL LIABILITIES** **Rs. in Lakhs**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Security Deposit with Related Parties	<b>0.19</b>	0.17
<b>TOTAL</b>	<b><u>0.19</u></b>	<b><u>0.17</u></b>

**14. OTHER NON-CURRENT LIABILITIES**

(a) Advance lease Rent	<b>4.79</b>	4.81
<b>TOTAL</b>	<b><u>4.79</u></b>	<b><u>4.81</u></b>

**15. OTHER CURRENT FINANCIAL LIABILITIES**

(a) Due to Employee	<b>0.43</b>	0.43
(b) Expenses Payable	<b>0.55</b>	0.65
(c) Statutory Dues Payable	<b>0.54</b>	1.30
<b>TOTAL</b>	<b><u>1.52</u></b>	<b><u>2.38</u></b>

**16. PROVISIONS**

(a) Provision for Employees Benefits	<b>0.55</b>	1.41
<b>TOTAL</b>	<b><u>0.55</u></b>	<b><u>1.41</u></b>

**17. OTHER CURRENT LIABILITIES**

(a) Advance Lease Rent	<b>0.02</b>	0.02
<b>TOTAL</b>	<b><u>0.02</u></b>	<b><u>0.02</u></b>

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
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**18. OTHER INCOME**

(a) Interest on Income Tax Refund	<b>0.06</b>	0.03
(b) Rental Income	<b>1.02</b>	1.01
(c) Services Charges	<b>6.00</b>	6.00
(d) Profit on Sale of Fixed Assets	<b>0.29</b>	-
<b>TOTAL</b>	<b><u>7.37</u></b>	<b><u>7.04</u></b>

**19. CHANGE IN INVENTORIES OF FINISHED GOODS**

(a) Opening Stock	<b>1.52</b>	1.52
(b) Closing Stock	<b>1.52</b>	1.52
<b>Decrease/(Increase)</b>	-	-

**NOTES (CONTD.)****20. EMPLOYEE BENEFIT EXPENSES****Rs. in Lakhs**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
(a) Salary & Allowances	<b>5.41</b>	16.10
(b) Contribution to Provident & Other fund	<b>0.41</b>	1.00
(c) Staff Welfare Expenses	-	0.02
<b>TOTAL</b>	<b><u>5.82</u></b>	<u>17.12</u>

**21. DEPRECIATION AND AMORTISATION**

(a) Depreciation on Property Plant and Equipment	<b>0.21</b>	0.35
<b>TOTAL</b>	<b><u>0.21</u></b>	<u>0.35</u>

**22. OTHER EXPENSES**

(a) Professional Charges	<b>0.18</b>	0.05
(b) Power & Fuel	<b>0.94</b>	1.17
(c) Bank Charges	<b>0.03</b>	0.09
(d) Auditors Remuneration	<b>0.40</b>	0.40
(e) Rates & Taxes	<b>0.32</b>	0.11
(f) Insurance	<b>0.05</b>	0.06
(g) General Expenses	<b>0.03</b>	0.09
(h) Conveyance Expenses	<b>0.01</b>	0.10
(i) (Gain)/Loss on foreign currency transaction	-	0.10
<b>TOTAL</b>	<b><u>1.96</u></b>	<u>2.17</u>

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

(a) Current Tax on taxable income for the year	<b>(0.29)</b>	-
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**II) Deferred Tax**

(a) Related To Capital Assets Relating to origination and reversal of temporary differences	<b>3.52</b>	(3.93)
	<b><u>3.23</u></b>	<u>(3.93)</u>

Effective Income Tax Rate	<b>520.97%</b>	31.20%
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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:

Accounting profit before tax	<b>(0.62)</b>	(12.60)
<b>Statutory Income Tax Rate</b>	<b>0.26</b>	0.31
Computed tax expenses	<b>(0.16)</b>	(3.93)
Tax in respect of earlier years	<b>(0.29)</b>	-
Due to change in tax rate	<b>3.56</b>	-
Permantant tax difference	<b>0.12</b>	
<b>Income tax charge to statement of profit and loss account</b>	<b><u>3.23</u></b>	<u>(3.93)</u>

**NOTES (CONTD.)****23.2 Deferred Tax Assets /(Liability) Rs. in Lakhs**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Opening balance	<b>24.66</b>	20.72
Add: Difference in books value and written down value as per income tax	<b>0.01</b>	-
Add: Carry forward losses for current year	<b>0.02</b>	-
Add: Effect of Change in tax rate	<b>(3.56)</b>	3.93
<b>Closing Balance</b>	<b><u>21.13</u></b>	<u>24.65</u>

**24. CONTINGENT LIABILITIES NOT PROVIDED FOR**

- a. Corporate Guarantee given by Company to a bank against facilities granted by that bank to its holding Company M/s Bhartiya International Ltd Rs. Nil (Previous Year Rs. 24.00 Crores.).
- b. Land and Building at Chennai of Rs. 4.93 Lakhs (Previous Year Rs. 4.93 Lakhs) 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. 0.72 Lakhs /- in M/s J & J Leather Enterprises Ltd. held in the name of six nominees of the company.

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

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>Maximum Balance during the year</b>
(1) <b>Corporate Guarantee given by company to a bank for facility granted by that bank to its holding co.</b>		
Bhartiya International Ltd.	-	(2,400.00)
	<b>(2,400.00)</b>	<b>(2,400.00)</b>

24.3 Related Party Disclosures as per Ind AS 24 :-

i) **Holding Company:**

Bhartiya International Ltd

ii) **Subsidiary Companies :**

J&J Leather Enterprises Ltd.

iii) **Fellow Subsidiary**

Design industry Ltd

Ultima S A

iv) **Key Management Personnel:**

**Directors**

Manoj Khattar

Jaspal Sethi

Ramesh Bhatia

A. K . Ghadok

v) **Transactions during the year with Related Parties**

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b>1 Lease Rent Received</b>		
Bhartiya International Ltd	1.00	1.00
<b>2 Consultancy Received</b>		
J & J Leather Enterprises Ltd	6.00	6.00

## NOTES (CONTD.)

		Rs. in Lakhs	
vi)	<b>Balances Outstanding at the year end:</b>	<b>2019-2020</b>	<b>2018-2019</b>
1	<b>Trade Receivable</b>		
	J & J Leather Enterprises Ltd	6.48	6.66
2	<b>Security Deposit Received</b>		
	Bhartiya International Ltd	5.00	5.00
3	<b>Rental Income Receivable</b>		
	Bhartiya International Ltd	-	0.18

## 24.4 Earning Per Share (EPS)

	<b>Year Ended 31<sup>st</sup> March, 2020</b>	<b>Year Ended 31<sup>st</sup> March, 2019</b>
a) Net Profit/(loss) for the year	<b>(3.85)</b>	(8.67)
b) Weighted Average Shares Outstanding during the year	<b>49.99</b>	49.99
c) Basic/Diluted earnings per share	<b>(0.08)</b>	(0.17)

## 24.5 Auditor's Remuneration

Audit Fees	<b>0.40</b>	0.40
------------	-------------	------

## 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*	<b>0.33</b>	0.88
b) Employees State Insurance Corporation	<b>0.77</b>	0.12

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:

<b>Principal Assumptions</b>	<b>As at 31<sup>st</sup> March, 2020</b>	<b>As at 31<sup>st</sup> March, 2019</b>
Discount rate	<b>6.65%</b>	7.60%
Salary increase rate	<b>5% for next 1 year and 10% thereafter</b>	10.00%
In service mortality	<b>IALM (2012-14)</b>	IALM (2006-08)

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

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March, 2020</b>	<b>Year Ended 31<sup>st</sup> March, 2019</b>
Current Services Cost	<b>0.17</b>	0.48
Net Interest Expenses	<b>0.12</b>	0.36
<b>Components of defined benefit costs recognised in profit or loss</b>	<b><u>0.29</u></b>	<u>0.84</u>
Remeasurement on the net defined benefit liability:	-	-
Actuarial (gains)/ losses on obligation for the year	<b>0.01</b>	(4.09)
<b>Net(Income)/Expenses for the year ended recognized in OCI</b>	<b><u>0.01</u></b>	<u>(4.09)</u>



## NOTES (CONTD.)

Rs. in Lakhs

iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Present Value of defined benefit obligation	1.85	1.55
Fair Value of Plan Asset	3.56	3.56
<b>Net Liability/(Asset) arising from defined benefit obligation</b>	<b>(1.71)</b>	<b>(2.01)</b>
iv) Movements in the present value of the defined benefit obligation are as follows:		
Opening defined obligation	1.55	4.80
Current service cost	0.17	0.48
Interest Cost	0.12	0.36
Actuarial (gains)/ losses	0.01	(4.09)
Closing defined benefit obligation	1.85	1.55
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	-	-
<b>Closing fair Value of Plan Assets</b>	<b>3.56</b>	<b>3.56</b>

\* Fund managed by the approved Insurance Company

Particulars	Gratuity	
	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Investment	75.39%	75.39%

**Sensitivity Analysis**

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

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2019 is as follows:

Particulars	Increase effect	Decrease effect
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	(1.46)	1.66
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	1.66	1.46

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

## 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, 2020	As at 31st March, 2019
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	33.00	34.00

**NOTES (CONTD.)****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, 2020			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivable	<b>6.48</b>	-	-	<b>6.48</b>
Cash & Cash Equivalents	<b>30.32</b>	-	-	<b>30.32</b>
Loan	<b>0.78</b>	-	-	<b>0.78</b>
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Other Financial Liabilities	<b>1.71</b>	-	-	<b>1.71</b>

Particulars	As at 31st March, 2019			
	Carrying amount	Level of input used in		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivable	6.66	-	-	6.66
Cash & Cash Equivalents	30.47	-	-	30.47
Loan	0.60	-	-	0.60
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Trade Payables				
Other Financial Liabilities	2.55	-	-	2.55

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.

**NOTES (CONTD.)****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.

<b>Particulars</b>	<b>Rs. in Lakhs</b>	
	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Less than 6 month	<b>6.48</b>	6.66
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**

<b>Particulars</b>	<b>As at 31st March, 2020</b>			<b>Total</b>
	<b>0-1 year</b>	<b>1-5 year</b>	<b>Beyond 5 year</b>	
Other Current Liabilities	<b>1.71</b>	-	-	<b>1.71</b>

<b>Particulars</b>	<b>As at 31st March, 2019</b>			<b>Total</b>
	<b>0-1 year</b>	<b>1-5 year</b>	<b>Beyond 5 year</b>	
Other Current Liabilities	2.37	-	-	2.37

**Market Risk**

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

**Foreign Currency Sensitivity**

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end. The Company has no year end outstanding of foreign currency denominated monetary items.

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, 26th June, 2020

**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
<b>J&amp;J Leather Enterprises Ltd.</b>	31st March, 2020	Indian Rupees	20750.00	31373.28	227073.04	174949.76	3500.00	194230.15	104.85	971.06	(866.21)	100.00

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2020 are as follows:

(Rs. in Thousands)

Sl. No.	Particulars	2019-20	2018-19
1.	Net Sales /Income from Operations	<b>194230.15</b>	168709.64
2.	Other Income	<b>10851.80</b>	4171.20
3.	Total Expenses	<b>204977.10</b>	169180.12
4.	Tax Expense	<b>1075.91</b>	1013.18
5.	Profit for the year after Tax	<b>(866.21)</b>	2687.54

### PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

During the year under review, your Company achieved a turnover of Rs.194230.15 thousands as against Rs.168709.64 thousands in the previous year. The net loss for the year was reported at Rs.866.21 thousands.

### DIVIDEND

Yours directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2020.

### RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

### SHARE CAPITAL

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

### PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any Subsidiary or Associate Company.

### EXTRACT OF ANNUAL RETURN

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

### DIRECTORS

The Board of Directors comprises of Mr. Amrishpal Singh, Mr. Manoj Khattar and Mr. C. L Handa as Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Manoj Khattar (DIN: 00694981), 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 2019-20, Six Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2019-20 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Amrishpal Singh	Mr. Manoj Khattar	Mr. C. L. Handa
26.04.2019	Present	Present	Present
24.05.2019	Present	Present	Present
02.08.2019	Absent	Present	Present
28.09.2019	Present	Present	Present
06.11.2019	Present	Present	Present
12.02.2020	Present	Present	Present

### REMUNERATION COMMITTEE

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

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY**

Details of Loans, Guarantees and Investments, 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 as 'Annexure B'.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2020, 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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7<sup>th</sup> 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 29<sup>th</sup> 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 2020-21.

Further, 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 2019-20, 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 2020 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. 210.781 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, 2020 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, 29<sup>th</sup> June, 2020

**ANNEXURE-A**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year Ended on 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : U18209TN1991PLC020874
- ii) Registration Date : 29/05/1991
- iii) Name of the Company : J&J Leather Enterprises Ltd.
- iv) Category Sub-Category of Company : Public Limited Company
- v) Address of the Regd. Office : and contact details : 56/7, Nallambakkam Village, (Via Vandalur), Chennai, Tamil Nadu-600048, Phone No.: +91 9551050418-21
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, : **NIVIS CORP SERVE LLP**  
F-111, First Floor, Aditya Arcade, Plot No 30,  
Community Centre, Preet Vihar, Delhi- 110092  
Contact No: 011-45201005

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Promoter(s)</b>									
<b>Indian</b>									
Individual/HUF	-	-	-	-	-	-	-	-	-
Central Govt.	-	-	-	-	-	-	-	-	-
State Govt.(s)	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	207500	207500	100	-	207500	207500	100	-
Banks/FIs	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (I)</b>		<b>207500</b>	<b>207500</b>	<b>100</b>		<b>207500</b>	<b>207500</b>	<b>100</b>	<b>-</b>



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

(ii) **Shareholding of Promoters**

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

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

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

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

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	No such shareholders	NIL			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/Decrease (e.g. allotment/transfer/bonus/ sweat equity etc):				
	At the End of the year				

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

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

**V) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment. **(In Rs.)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	3,40,71,08,350	-	-	3,40,71,08,350-
iii) Interest accrued but not due		-	-	-
<b>Total (i+ii+iii)</b>	<b>3,40,71,08,350</b>	<b>-</b>	<b>-</b>	<b>3,40,71,08,350</b>
Change in Indebtedness during the financial year				
* Addition	65,58,77,528	-	-	65,58,77,528
* Reduction	7,90,46,084	-	-	7,90,46,084
<b>Net Change</b>	<b>57,68,31,444</b>	<b>-</b>	<b>-</b>	<b>57,68,31,444</b>
Indebtedness at the end of the financial year				
i) Principal Amount	4,04,88,49,289	-	-	4,04,88,49,289
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	27,47,414	-	-	27,47,414
<b>Total (i+ii+iii)</b>	<b>4,05,15,96,703</b>	<b>-</b>	<b>-</b>	<b>4,05,15,96,703</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:****(Amount in Rs.)**

S. N.	Particulars of Remuneration	Name of MD/WT/Manager	Total Amount (Rs.)
		Mr. Amrishpal Singh	
1.	Gross Salary Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income-tax Act, 1961	300000	300000
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission as % of profit others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	<b>Total (A)</b>	300000	300000
	Ceiling as per the Act	Ceiling as per the Act @ 5% of profits calculated under Section 198 of the Companies Act, 2013)	

**B. Remuneration to other Directors:**

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

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT/****(Amount in Rs.)**

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

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**There were no penalties, punishment or compounding of offences during the year ended 31<sup>st</sup> March, 2020.

**ANNEXURE B - FORMING PART OF THE DIRECTOR'S REPORT**  
**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:-

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis – NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date (s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

**(Rs. in Thousands)**

<b>S. N.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/arrangements/transactions</b>	<b>Duration of the contracts/arrangements/transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	<b>A m o u n t paid as advances, if any:</b>
1	Bhartiya International Ltd.	Job Work	Ongoing basis	Rs. 2,01,129.75/-	

## INDEPENDENT AUDITORS' 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 31<sup>st</sup> March, 2020, the Statement of Profit and Loss, 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, 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.

#### **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. 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 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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) The requirement of transfer to the Investor Education and Protection Fund by the Company is not applicable at the Company level.

### For Padmanabhan Ramani & Ramanujam

Chartered Accountants  
Firm Registration No: 002510S

#### N. Ramani

Partner  
Mem No. 022438  
UDIN: 20022438AAAACE6451

Chennai, 29th June, 2020

## ANNEXURE - A TO THE AUDITORS' REPORT

Referred to in paragraph 1 under section titled 'Report on other legal and regulatory requirements' of our report of even date.

- i. On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. These Fixed Assets have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were observed by the management on such verification.
  - c. 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. According to the information and explanations given to us, 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. According to the information and explanations given to us 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) According to the information and explanations given to us, and in our opinion, the Company has been regular in depositing with the appropriate authorities the undisputed statutory dues in the case of Provident Fund, Employees' State Insurance, Income-Tax, Goods & Services Tax, Customs Duty, Cess and other statutory dues with the appropriate authorities. To the best of our knowledge and according to the information and explanations given to us, there are no outstanding statutory dues as at 31st March, 2020 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, 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. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, governments or dues to debenture holders
- ix. In our opinion and according to the information and explanations given to us, 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, 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. 12.The Company is not a Nidhi company and hence the para 3(xii) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, 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 Indian Accounting Standards. Refer Note 37 of notes to financial statements.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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.

**For Padmanabhan Ramani & Ramanujam**

Chartered Accountants

Firm Registration No: 002510S

**N. Ramani**

Partner

Mem No. 022438

UDIN: 20022438AAAACE6451

Chennai, 29th June, 2020

## **ANNEXURE - B TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of **J&J LEATHER ENTERPRISES LTD.** ("the Company") as of 31st March, 2020 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 2020, 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: 20022438AAAACE6451

Chennai, 29th June, 2020

**BALANCE SHEET AS AT 31ST MARCH, 2020**

Particulars	Note No.	Rs. in Thousand	
		As at 31st March, 2020	As at 31st March, 2019
<b>I Assets</b>			
<b>1 Non - Current Assets</b>			
(a) Property, Plant and Equipment	2	95,672.99	77,802.18
(b) Intangible Assets	3	1,137.58	610.67
(c) Right of use Assets	4	19,730.59	-
(d) Capital Work-In-Progress		6,199.83	2,418.37
(e) Financial Assets			-
(i) Investment in Equity Instrument (Unlisted )	5	3,500.00	-
(ii) Loans	6	5,932.81	6,390.99
(g) Other Non Current Assets	7	554.13	-
<b>2 Current Assets</b>			
(a) Inventories	8	60,505.05	4,827.20
(b) Financial Assets			
(i) Trade receivables	9	786.30	399.41
(ii) Cash and Cash equivalents	10	3,534.27	2,009.75
(iii) Loans	11	292.00	523.75
(iv) Others Financial Assets	12	699.28	2,059.45
(c) Current Tax assets (net)		9,209.35	5,130.21
(d) Other Current Assets	13	19,318.86	4,954.43
<b>Total Assets</b>		<b>227,073.04</b>	<b>107,126.41</b>
<b>II Equity And Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	14	20,750.00	20,750.00
(b) Other Equity	15	31,373.28	32,306.84
<b>2 Liabilities</b>			
<b>Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	12,783.24	16,952.20
(ii) Other financial liabilities	17	19,310.54	-
(b) Provisions	18	3,765.91	2,918.14
(c) Deferred Tax Liabilities (Net)		1,057.41	110.01
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		8,680.31	1,077.20
Total outstanding dues of creditors other than micro enterprises and small enterprises		54,159.99	15,524.57
(ii) Other financial liabilities	20	9,494.54	7,883.96
(b) Provisions	21	2,674.12	2,448.47
(c) Current Tax Liabilities (Net)		16.36	-
(d) Other Current Liabilities	22	63,007.34	7,155.02
<b>Total of Equity and Liabilities</b>		<b>227,073.04</b>	<b>107,126.41</b>
Significant accounting policies and The accompanying notes are an integral part of the financial statements	1		

As per our report of even date attached

**For Padmanabhan Ramani & Ramanujan**

Firm Registration No. 002510S

Chartered Accountants

**For and on behalf of the Board****N. Ramani**

Partner

Mem. No. 022438

Chennai, 29th June, 2020

**Amrishpal Singh**

Managing Director

DIN: 02735647

**Manoj Khattar**

Director

DIN: 00694981

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>Rs. in Thousand</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>Income</b>			
Revenue from Operations	23	<b>194,230.15</b>	168,709.63
Other Income	24	<b>10,851.80</b>	4,171.20
<b>Total Income</b>		<b><u>205,081.95</u></b>	<u>172,880.83</u>
<b>Expenses</b>			
Cost of Material Consumed	25	<b>22,899.74</b>	9,965.89
Manufacturing & Operating Expenses	26	<b>106,709.60</b>	92,304.79
Employee Benefits Expense	27	<b>41,115.40</b>	39,844.32
Finance Costs	28	<b>3,330.30</b>	2,775.65
Depreciation and Amortisation Expense	29	<b>8,059.99</b>	6,692.54
Other Expenses	30	<b>22,862.07</b>	17,596.92
<b>Total Expenses</b>		<b><u>204,977.10</u></b>	<u>169,180.11</u>
<b>Profit/ (Loss) before Tax</b>		<b>104.85</b>	3,700.72
<b>Tax Expenses</b>	31		
i Current Tax		-	1,227.31
ii Deferred Tax		<b>971.06</b>	(214.13)
<b>Profit / (Loss) for the Year</b>		<b><u>(866.21)</u></b>	<u>2,687.54</u>
<b>Other Comprehensive Income</b>			
Items that will not be Reclassified to profit or Loss			
- Remeasurements of the defined benefit plans		<b>(91.01)</b>	1,448.51
- Income tax relating to above items		<b>23.66</b>	(376.61)
<b>Total Comprehensive Income for the Year</b>		<b><u>(933.56)</u></b>	<u>3,759.44</u>
Earnings per equity share of face value of Rs. 100/- each			
Basic (in Rs.)		<b>(4.17)</b>	12.95
Diluted (in Rs.)		<b>(4.17)</b>	12.95
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, 29th June, 2020

**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, 2020****Rs. in Thousand**

Particulars		Equity Capital			
a) <b>Equity Share Capital (Refer Note-14)</b>					
<b>Balance as at 31st March, 2018</b>		20,750.00			
Change in equity share capital during the year 2018-19		-			
<b>Balance as at 31st March, 2019</b>		20,750.00			
Change in equity share capital during the year 2019-20		-			
<b>Balance as at 31st March, 2020</b>		20,750.00			

Particulars	Reserve and Surplus				Total
	Securities Premium	Capital Reserve	Retained Earning	Other Comprehensive Income (Defined Benefit Plans)	
b) <b>Other Equity ( Refer Note -15)</b>					
<b>Balance as at 31st March, 2018</b>	<b>8,992.50</b>	<b>4,621.28</b>	<b>15,388.95</b>	<b>(455.33)</b>	<b>28,547.40</b>
Profit/(Loss) for the year	-	-	2,687.54	-	2,687.54
Other comprehensive income (Net of Taxes)	-	-	-	1,071.90	1,071.90
<b>Balance as at 31st March, 2019</b>	<b>8,992.50</b>	<b>4,621.28</b>	<b>18,076.49</b>	<b>616.57</b>	<b>32,306.84</b>
Profit/(Loss) for the year	-	-	(866.21)	-	(866.21)
Other comprehensive income (Net of Taxes)	-	-	-	(67.35)	(67.35)
<b>Balance as at 31st March, 2020</b>	<b>8,992.50</b>	<b>4,621.28</b>	<b>17,210.28</b>	<b>549.22</b>	<b>31,373.28</b>

As per our report of even date attached

**For Padmanabhan Ramani & Ramanujan**

Firm Registration No. 002510S

Chartered Accountants

**N. Ramani**

Partner

Mem. No. 022438

Chennai, 29th June, 2020

**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, 2020**

Particulars	Rs. in Thousand	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax as per statement of Profit and loss	104.85	3,700.72
Adjustment for :		
Finance Cost	3,330.30	2,775.65
Depreciation and Amortisation Expenses	8,059.99	6,692.54
Rental Income	(2,400.00)	(1,200.00)
<b>Operating profit/(loss) before working capital changes</b>	<b>9,095.14</b>	<b>11,968.91</b>
<b>Movements in Working Capital:</b>		
Increase/ (decrease) in trade payables	46,238.53	9,336.01
Increase/ (decrease) in other financial liabilities	605.91	(4.90)
Increase/ (decrease) in other liabilities	55,852.32	663.91
Increase/ (decrease) in provisions	982.41	709.90
Decrease/ (increase) in inventories	(55,677.85)	(4,617.48)
Decrease/ (increase) trade receivables	(386.89)	(2.45)
Decrease/ (increase) in loan	689.93	(518.58)
Decrease/ (increase) in other current financial assets	1,360.17	6,647.24
Decrease/ (increase) in other current assets	(14,364.43)	(3,788.36)
Decrease/ (increase) in other Non-current assets	(537.77)	
<b>Cash (used in) / generated from operations</b>	<b>34,762.33</b>	<b>8,425.29</b>
Income tax paid (Net)	(4,079.14)	(16.62)
<b>Net cash (used in)/ generated from operating activities - (A)</b>	<b>39,778.33</b>	<b>20,377.58</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(29,200.72)	(14,088.72)
Purchase of Non-Current Investment	(3,500.00)	10.07
Rental Income	2,400.00	1,200.00
<b>Net cash from/ (used in) investing activities - (B)</b>	<b>(30,300.72)</b>	<b>(12,878.65)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term borrowings (net)	(4,168.96)	(4,124.51)
Interest and processing fees paid (net)	(2,404.13)	(2,775.65)
Payment of Lease Rent	(1,380.00)	
<b>Net cash from/ (used in) financing activities - (C)</b>	<b>(7,953.09)</b>	<b>(6,900.16)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents - (A+B+C)</b>	<b>1,524.52</b>	<b>598.77</b>
Cash and cash equivalents as at beginning of the year	2,009.75	1,410.98
<b>Cash and cash equivalents as at the end of the year</b>	<b>3,534.27</b>	<b>2,009.75</b>
<b>Components of Cash and Cash Equivalents:</b>		
Cash on hand	394.86	301.03
Balances with scheduled banks:		
In current accounts	3,139.41	1,708.72
<b>Cash and Cash Equivalents in Cash Flow Statement</b>	<b>3,534.27</b>	<b>2,009.75</b>

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, 29th June, 2020

**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, 2020**

### **1 Significant Accounting Policies**

#### **1.1 Corporate Information**

J&J Leather Enterprises Ltd ( 'the Company') is a public limited company with domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The Company has its registered office at Chennai .The Company is in the business of job work/processing of leather.

#### **1.2 Basis of Preparation**

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

These financial statements are prepared under the historical cost convention unless otherwise indicated.

#### **1.3 Property, Plant and Equipment**

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

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.

#### **1.4 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).

#### **1.5 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.

#### **1.6 Cash & Cash Equivalents**

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

#### **1.7 Revenue Recognition**

##### **Revenue from Job work /Sales**

Revenue from Job work / Sales are recognised as revenue upon transfer of significant risk and reward of ownership of the goods to principal, which coincides with delivery and acceptance of the goods dispatched.

##### **Interest Income**

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

#### **1.8 Manufacturing and Operating Expenses**

The Company classifies separately manufacturing and operating expenses which are directly linked to manufacturing and service activities of the Company

#### **1.9 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.

## **1.10 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.

## **1.11 Employee Benefits**

### **Defined Contribution Plan**

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

### **Defined Benefit Plan**

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

## **1.12 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 Overdraft.

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.

**1.13 Intangible Assets**

On transition to IND AS, the company has adopted optional exemption under IND AS 101 to measure Intangible assets at previous GAAP carrying value. Consequently the previous GAAP carrying value has been assumed to be deemed cost of Intangible assets on the date of transition. Subsequently intangible assets are stated at cost, less accumulated amortization and impairments, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use.

**Amortisation Method and Useful Life**

The Company amortizes its intangible assets using the straight-line method over the period of 3 years

**1.14 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.

**1.15 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.

### 1.16 Impairment of Assets

The carrying amount of assets are reviewed at each reporting date if there is any indication of impairment based on internal and external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as an income immediately.

## 2. PROPERTY, PLANT AND 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, 2018	2,752.99	28,621.43	45,266.59	814.16	500.31	1,776.63	665.56	80,397.67
Addition	-	-	11,801.06	117.18	-	204.31	27.12	12,149.67
Disposal	-	-	-	-	125.28	-	-	125.28
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
Accumulated Depreciation								
Balance as at 31st March, 2018	-	1,799.06	5,716.20	122.63	221.48	351.95	246.87	8,458.19
Addition	-	1,152.04	4,497.17	86.05	105.55	274.20	161.89	6,276.90
Disposal	-	-	-	-	115.21	-	-	115.21
Balance as at 31st March, 2019	-	2,951.10	10,213.37	208.68	211.82	626.15	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	308.00	281.77	886.37	552.33	21,168.33
Net Carrying Amount								
Balance as at 31st March, 2019	2,752.99	25,670.33	46,854.28	722.66	163.21	1,354.79	283.92	77,802.18
Balance as at 31st March, 2020	2,752.99	28,661.96	61,835.16	826.13	93.26	1,221.83	281.66	95,672.99

**NOTES (CONTD.)****3. INTANGIBLE ASSETS****Rs. in Thousand**

<b>Particulars</b>	<b>Computer Software</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
Balance as at 31st March, 2018	1,337.86	1,337.86
Addition	16.95	16.95
Disposal	-	-
Balance as at 31st March, 2019	1,354.81	1,354.81
Addition	1,000.00	1,000.00
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b><u>2,354.81</u></b>	<b><u>2,354.81</u></b>
<b>Accumulated Depreciation</b>		
Balance as at 31st March, 2018	328.50	328.50
Addition	415.64	415.64
Disposal	-	-
Balance as at 31st March, 2019	<b><u>744.14</u></b>	<b><u>744.14</u></b>
Addition	473.09	473.09
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b><u>1,217.23</u></b>	<b><u>1,217.23</u></b>
<b>Net Carrying Amount</b>		
Balance as at 31st March, 2019	610.67	610.67
<b>Balance as at 31st March, 2020</b>	<b>1,137.58</b>	<b>1,137.58</b>

**4. RIGHT OF USE ASSETS**

<b>Particulars</b>	<b>Building</b>	<b>Total</b>
<b>Gross Carrying Amount</b>		
Balance as at 31st March, 2019	-	-
Addition	<b>20,769.04</b>	<b>20,769.04</b>
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b><u>20,769.04</u></b>	<b><u>20,769.04</u></b>
<b>Accumulated Depreciation</b>		
Balance as at 31st March, 2019	-	-
Addition	<b>1,038.45</b>	<b>1,038.45</b>
Disposal	-	-
<b>Balance as at 31st March, 2020</b>	<b><u>1,038.45</u></b>	<b><u>1,038.45</u></b>
<b>Net Carrying Amount</b>		
Balance as at 31st March, 2019	-	-
<b>Balance as at 31st March, 2020</b>	<b><u>19,730.59</u></b>	<b><u>19,730.59</u></b>

**5. INVESTMENT IN EQUITY INSTRUMENTS**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
	<b>Share (No.)</b>	<b>Share (No.)</b>
<b>A Investments in Equity Instrument (Unquoted)</b>		
<b>At Fair value through Profit and loss</b>		
i) Pallavaram Tanners Industrial Effluent Treatment Co. Ltd.	<b>31,525</b>	-
	<b>3,500.00</b>	-
	<b><u>3,500</u></b>	-
<b>Aggregate amount of unquoted Investments</b>	<b>3,500</b>	-
<b>Aggregate amount of impairment in value of unquoted Investments</b>	-	-

**NOTES (CONTD.)**

<b>6. FINANCIAL ASSETS LOAN</b>	<b>Rs. in Thousand</b>	
<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(Unsecured & Considered Good)		
(a) Security and Other Deposits	<b>5,932.81</b>	6,390.99
	-	-
<b>TOTAL</b>	<b><u>5,932.81</u></b>	<b><u>6,390.99</u></b>
<b>7. OTHER NON CURRENT ASSETS</b>		
(a) Prepayment Lease Rent	<b>537.77</b>	-
(b) Mat Credit Entitlement	<b>16.36</b>	-
<b>TOTAL</b>	<b><u>554.13</u></b>	-
<b>8. INVENTORIES</b>		
(a) Consumable Stores	<b>1,750.00</b>	1,517.50
(b) Raw Material	<b>58,755.05</b>	3,309.70
<b>TOTAL</b>	<b><u>60,505.05</u></b>	<b><u>4,827.20</u></b>
<b>9. TRADE RECEIVABLES</b>		
a) Unsecured, considered good)	<b>786.30</b>	399.41
b) Secured, considered good)		
<b>TOTAL</b>	<b><u>786.30</u></b>	<b><u>399.41</u></b>
<b>10. CASH AND CASH EQUIVALENTS</b>		
a) Balances with Banks		
- In Current Accounts	<b>3,139.41</b>	1,708.72
b) Cash on Hand	<b>394.86</b>	301.03
<b>TOTAL</b>	<b><u>3,534.27</u></b>	<b><u>2,009.75</u></b>
<b>11. CURRENT LOAN</b>		
(Unsecured & Considered Good)		
(a) Loan to Employee	<b>292.00</b>	523.75
<b>TOTAL</b>	<b><u>292.00</u></b>	<b><u>523.75</u></b>
<b>12. OTHER CURRENT FINANCIAL ASSETS</b>		
a) Insurance Claim Receivable	<b>699.28</b>	699.28
b) Other Advance	-	1,360.17
	-	-
<b>TOTAL</b>	<b><u>699.28</u></b>	<b><u>2,059.45</u></b>

**NOTES (CONTD.)****13. OTHER CURRENT ASSETS****Rs. in Thousand**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
a) Advances with Suppliers	<b>2,138.13</b>	-
b) Prepaid Expenses	<b>1,185.23</b>	1,281.79
c) Other Prepaid Staff Insurance	<b>64.50</b>	26.25
d) GST Receivable	<b>15,882.74</b>	3,056.93
e) Other Advances	<b>7.20</b>	589.46
f) Prepayment Lease Rent	<b>41.06</b>	-
<b>TOTAL</b>	<b><u>19,318.86</u></b>	<b><u>4,954.43</u></b>

**14. SHARE CAPITAL****Authorised Share Capital**

300,000 (31st March, 2019: 300,000) Equity Shares of Rs. 100/- each	<b>30,000.00</b>	30,000.00
	<b><u>30,000.00</u></b>	<b><u>30,000.00</u></b>

**Issued, Subscribed & Paid up :**

2,07,500 (31st March, 2019: 207,500) Equity Shares of Rs. 100/- each	<b>20,750.00</b>	20,750.00
<b>TOTAL</b>	<b><u>20,750.00</u></b>	<b><u>20,750.00</u></b>

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

<b>Particulars</b>	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>No. of Shares</b>	<b>Amount</b>	<b>No. of Shares</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	<b>207,500</b>	<b>20,750.00</b>	207,500	20,750.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>207,500</b>	<b>20,750.00</b>	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**

<b>Name of the share holders</b>	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
Bhartiya Global Marketing Ltd.	<b>207,500</b>	<b>100.00</b>	207,500	100.00

**14.4** Shares Held By holding company and subsidiaries of holding company in aggregate

<b>Particulars</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2019 No. of Shares</b>
Shares held by holding company, Bhartiya Global Marketing Ltd.	<b>207,500</b>	207,500

**NOTES (CONTD.)****15. OTHER EQUITY****Rs. in Thousand**

<b>Particulars</b>	<b>Securities Premium</b>	<b>Capital Reserve</b>	<b>Retained Earning</b>	<b>Other Comprehensive Income (Defined Benefit Plans)</b>	<b>Total</b>
<b>Balance as at 31st March, 2018</b>	8,992.50	4,621.28	15,388.95	(455.33)	28,547.40
Profit for the year	-	-	2,687.54	-	2,687.54
Other comprehensive income (Net of Taxes)	-	-	-	1,071.90	1,071.90
<b>Balance as at 31st March, 2019</b>	<b>8,992.50</b>	<b>4,621.28</b>	<b>18,076.49</b>	<b>616.57</b>	<b>32,306.84</b>
Profit for the year	-	-	(866.21)	-	(866.21)
Other comprehensive income (Net of Taxes)	-	-	-	(67.35)	(67.35)
<b>Balance as at 31st March, 2020</b>	<b>8,992.50</b>	<b>4,621.28</b>	<b>17,210.28</b>	<b>549.22</b>	<b>31,373.28</b>

**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.

**16. NON-CURRENT BORROWINGS**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>Secured</b>		
<b>Term Loans</b>	<b>12,783.24</b>	16,952.20
<b>TOTAL</b>	<b>12,783.24</b>	16,952.20

<b>Nature of Security</b>	<b>Terms of Repayment</b>
Term Loans from Indsind Bank, balance outstanding amounting to Rs 127.30 lacs (March 31, 2019 Rs. 169.52 lacs) is secured by Exclusive charge on the Machinery funded and personal guarantee of one of the Director.	The Loan is repayable in 61 Monthly Installment starting from March 2018. Last installment due in March 2023. Rate of interest 10.40 % p.a. as at year end (previous year - 10.40%)

**17. OTHER CURRENT LIABILITY**

Lease Liability	<b>19,310.54</b>	-
<b>TOTAL</b>	<b>19,310.54</b>	-

**18. PROVISION**

Provision for Gratuity	<b>3,765.91</b>	2,918.14
<b>TOTAL</b>	<b>3,765.91</b>	2,918.14

**19. TRADE PAYABLES**

(a) Payable to Micro & Small Enterprises	<b>8,680.31</b>	1,077.20
(b) Payable to Others	<b>53,511.99</b>	14,876.57
(c) Payable to Related Parties	<b>648.00</b>	648.00
<b>TOTAL</b>	<b>62,840.30</b>	16,601.77

**NOTES (CONTD.)****20. OTHER CURRENT FINANCIAL LIABILITIES****Rs. in Thousand**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Current maturities of Long -Term Debt	<b>5,234.30</b>	5,234.30
(b) Due to Employee	<b>2,944.38</b>	2,135.28
(c) Statutory Dues Payable	<b>311.19</b>	514.38
(d) Lease Liability	<b>1,004.67</b>	-
<b>TOTAL</b>	<b><u>9,494.54</u></b>	<u>7,883.96</u>

**21. EMPLOYEE BENEFITS**

Provision for Bonus & Incentive	<b>872.28</b>	636.68
Provision for Leave Encashment	<b>1,556.60</b>	1,577.26
Provision for Gratuity	<b>245.24</b>	234.53
<b>TOTAL</b>	<b><u>2,674.12</u></b>	<u>2,448.47</u>

**22. OTHER CURRENT LIABILITIES**

(a) Advance from Customer	<b>63,007.34</b>	7,155.02
<b>TOTAL</b>	<b><u>63,007.34</u></b>	<u>7,155.02</u>

**23. REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>Sales of products</b>		
(a) Sale of Services - Job Work	<b>151,958.97</b>	161,012.23
(b) Sales of Manufactured Goods	<b>42,271.18</b>	7,697.40
<b>TOTAL</b>	<b><u>194,230.15</u></b>	<u>168,709.63</u>

**24. OTHER INCOME**

Interest Income	<b>94.76</b>	96.63
Loans & Advances	-	-
Security Deposit	<b>6.77</b>	75.15
Rent Income	<b>2,400.00</b>	1,200.00
Other Misc Income	<b>8,350.27</b>	2,799.42
<b>TOTAL</b>	<b><u>10,851.80</u></b>	<u>4,171.20</u>

**25. COST OF MATERIALS CONSUMED**

Opening Stock	<b>4,827.20</b>	209.72
Add : Purchases	<b>78,577.59</b>	14,583.37
	<b><u>83,404.79</u></b>	<u>14,793.09</u>
Less : Closing Stock	<b>60,505.05</b>	4,827.20
<b>TOTAL</b>	<b><u>22,899.74</u></b>	<u>9,965.89</u>

**NOTES (CONTD.)****26. MANUFACTURING & OPERATING EXPENSES****Rs. in Thousand**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
Job work Expenses	<b>76,685.31</b>	62,580.61
Electricity Expenses	<b>12,454.73</b>	12,576.82
Machinery Maintenance	<b>6,266.51</b>	5,677.42
Rent	<b>1,377.59</b>	2,629.94
Effluent Treatment Expenses	<b>6,607.43</b>	4,194.50
Generator Running & Maintenance	<b>3,318.03</b>	4,645.50
<b>TOTAL</b>	<b><u>106,709.60</u></b>	<u>92,304.79</u>

**27. EMPLOYEE BENEFIT EXPENSES**

a) Salaries and Wages	<b>36,588.24</b>	35,219.26
b) Contribution to Provident and Other Funds	<b>2,727.60</b>	2,778.00
c) Staff welfare Expenses	<b>1,799.56</b>	1,847.06
<b>TOTAL</b>	<b><u>41,115.40</u></b>	<u>39,844.32</u>

**28. FINANCE COSTS**

a) Interest Expenses	<b>3,167.35</b>	2,568.26
(b) Borrowing Cost	<b>162.95</b>	207.39
<b>TOTAL</b>	<b><u>3,330.30</u></b>	<u>2,775.65</u>

**29. DEPRECIATION AND AMORTISATION EXPENSE**

(a) Depreciation on Property Plant and Equipment	<b>6,548.45</b>	6,276.90
(b) Amortisation on Intangible Assets	<b>473.09</b>	415.64
(c) Amortisation on Right to use Assets	<b>1,038.45</b>	-
<b>TOTAL</b>	<b><u>8,059.99</u></b>	<u>6,692.54</u>

**30. OTHER EXPENSES**

Legal & Professional	<b>2,578.14</b>	2,883.14
Bank Charges	<b>25.76</b>	73.90
Repair & Maintenance	<b>4,508.27</b>	2,809.79
Communication Expenses	<b>114.60</b>	294.29
Rate & Taxes	<b>1,096.79</b>	857.59
Rent-Others	<b>711.94</b>	508.40
Travelling & Conveyance	<b>1,850.36</b>	1,679.17
Freight Outward	<b>4,159.07</b>	3,517.69
Miscellaneous Expenses	<b>970.80</b>	132.12
Insurance	<b>606.64</b>	394.41
Security Expenses	<b>5,249.49</b>	3,887.11
Fees & Subscription	<b>312.09</b>	94.82
Printing & Stationery	<b>310.14</b>	328.53
Testing Charges	<b>266.50</b>	-
Auditors Remuneration-As Audit Fees	<b>85.00</b>	102.50
Foreign Exchange Gain/Loss	<b>16.48</b>	33.46
<b>TOTAL</b>	<b><u>22,862.07</u></b>	<u>17,596.92</u>

**NOTES (CONTD.)****31. Tax Expenses** **Rs. in Thousand**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>i) Current Tax</b>		
Current Tax on Taxable Income for the year	16.36	712.00
Earlier Year Tax	-	515.31
Mat Credit Entitlement	(16.36)	-
	-	<u>1,227.31</u>
<b>ii) Deferred Tax</b>		
Deferred Tax Charge/(Credit)	971.06	(214.13)
Deferred Tax on OCI	(23.66)	376.61
Income Tax reported in Statement of Profit & Loss	<u>947.40</u>	<u>1,390</u>

**32. EMPLOYEE BENEFIT PLANS**

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

**a) Defined Contribution Plans**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Detail of amount recognised as expense for defined contribution plans is given below:</b>		
a) Provident fund	2,537.46	2,392.43
b) Employees' State Insurance Corporation	190.14	385.57

**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, 2020	As at 31st March, 2019
Expected return on plan Assets	0.00%	0.00%
Discount Rate	6.65%	7.65%
Salary Increase Rate	0% for next 1 Year and 6% thereafter	6.00%
Employee Turnover	5.00%	5.00%
In Service Mortality	IALM (2012-14)	IALM (2006-08)



## NOTES (CONTD.)

Rs. in Thousand

## 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, 2020	Year Ended 31st March, 2019
Current Services Cost	681.27	605.41
Net Interest Expenses	232.21	298.55
Past Services Cost	-	-
<b>Components of defined benefit costs recognised in profit or Loss</b>	<b>913.48</b>	<b>903.96</b>
<b>Remeasurement on the net defined benefit Liability:</b>		
Actuarial (gains)/ losses on obligation for the year	91.01	(1,448.51)
Return on plan assets	-	-
<b>Net(Income)/ Expenses for the year ended recognized in OCI</b>	<b>91.01</b>	<b>(1,448.51)</b>

## 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, 2020	As at 31st March, 2019
Present Value of defined benefit obligation	4,011.15	3,152.67
Fair Vale of Plan Asset	-	-
<b>Net Liablitey arising from defined benefit obligation</b>	<b>4,011.15</b>	<b>3,152.67</b>

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

Particulars	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Opening defined obligation	3,152.67	4,016.04
Interest cost	232.21	298.55
Current service cost	681.27	605.41
Past service cost	-	-
Benefits Paid	(146.01)	(318.82)
Actuarial (gains)/ losses	91.01	(1,448.51)
Closing defined benefit obligation	4,011.15	3,152.67

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

Particulars	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
NA	NA	NA

**NOTES (CONTD.)****Rs. in Thousand****vi) Sensitivity Analysis**

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

<b>Particulars</b>	<b>Increase effect</b>	<b>Decrease effect</b>
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	<b>(4,257.82)</b>	3,784.11
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	<b>4,177.25</b>	3,835.03

A quantitative sensitivity analysis for significant assumptions as at 31st March, 2019 is as follows:

<b>Particulars</b>	<b>Increase effect</b>	<b>Decrease effect</b>
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	<b>(179.59)</b>	195.77
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	<b>144.87</b>	(145.66)

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

**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.

**NOTES (CONTD.)****Rs. in Thousand**

<b>Particulars</b>	<b>As at 31st March, 2020</b>			
	<b>Carrying Amount</b>	<b>Level of input used in</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivable	<b>786.30</b>	-	-	<b>786.30</b>
Cash & Cash Equivalents	<b>3,534.27</b>	-	-	<b>3,534.27</b>
Loans	<b>6,224.81</b>	-	-	<b>6,224.81</b>
Other Financial Assets	<b>699.28</b>	-	-	<b>699.28</b>
<b>Financial Liabilities</b>				
Borrowings	<b>18,017.54</b>	-	-	<b>18,017.54</b>
Trade Payables	<b>62,840.30</b>	-	-	<b>62,840.30</b>
Other Financial Liabilities	<b>4,260.24</b>	-	-	<b>4,260.24</b>

<b>Particulars</b>	<b>As at 31st March, 2019</b>			
	<b>Carrying Amount</b>	<b>Level of input used in</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade receivable	399.41	-	-	399.41
Cash & Cash equivalents	2,009.75	-	-	2,009.75
Loans	6,914.74	-	-	6,914.74
Other Financial Assets	2,059.45	-	-	2,059.45
<b>Financial Liabilities</b>				
Borrowings	22,186.50	-	-	22,186.50
Trade Payables	16,601.77	-	-	16,601.77
Other Financial Liabilities	2,649.66	-	-	2,649.66

**35. CONTINGENT LIABILITIES**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>Contingent Liabilities not provided for -</b>		
Corporate Guarantee executed by the Company in the form of Joint equitable mortgage of Land belonging to the Company for securing the Loan facility extended by a bank to the holding Company.	-	240,000.00

**36. CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIAL (INCLUDING CONSUMABLES)**

<b>Particulars</b>	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
Indigenous	<b>22,899.74</b>	<b>100.00</b>	9,965.89	100.00
Imported	-	-	-	-
	<b><u>22,899.74</u></b>	<b><u>100.00</u></b>	<u>9,965.89</u>	<u>100.00</u>

**NOTES (CONTD.)****37. Related Party Disclosure as per IND AS 24:****(a) Relationship:****i) Holding Companies**

Bhartiya Global Marketing Ltd.

Bhartiya International Ltd. - Ultimate Holding Company

**ii) Key Management Personnel:**

Mr. Amrishpal Singh

Mr. Manoj Khattar

Mr. C.L.Handa

**iii) (a) Transaction with Related Parties -****Rs. in Thousand**

Particulars	2019-20		2018-19	
	Holding Co	Key Management Personnel	Holding Co	Key Management Personnel
a) Rent (Received)	2,400.00	-	1,200.00	-
b) Leather Sales/Job Work	201,129.75	-	168,692.58	-
c) Salaries	-	300.00	-	300.00
d) Management fees paid	-	600.00	-	600.00

**(b) Balances Outstanding at the Year End**

Sundry Creditors	648.00	25.00	648.00	25.00
Advance from Customer	63,007.34	-	6,847.83	-

**38. EARNINGS PER SHARE**

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Income available to Equity Shareholders	<b>(866.21)</b>	2,687.54
No of Shares at the beginning of the Year (A)	<b>207,500</b>	207,500
Changes during the year (B)		
Weighted Average Shares Outstanding (nos) ( 5	<b>207,500</b>	207,500
Weighted Average number of equity shares for Diluted EPS	<b>207,500</b>	207,500
Nominal Value per share	<b>100</b>	100
Earnings per share (Basic)	<b>(4.17)</b>	12.95
Earnings per share(Diluted)	<b>(4.17)</b>	12.95

**39. Transition to Ind AS 116 'Leases'**

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – 'Leases' and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

**NOTES (CONTD.)**

The Company has elected below practical expedients on transition to Ind AS 116

- i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics
- ii) Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application
- iii) Excluded the initial direct costs from the measurement of right of use asset at the date of initial application
- iv) Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its assessment made applying Ind AS 17 Leases  
A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.
- v) The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings
- vi) The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight line basis over the lease term.
- vii) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 9%.

**A) Leases as lessee****i) The movement in Lease Liabilities during the year**

Particulars	As at 31st March, 2020
Opening Balance	-
Balance as at 1st April, 2019 (On adoption of IND AS -116)	
Addition during the year	<b>20,769.04</b>
Finance Costs incurred during the year	<b>926.17</b>
Payment of lease Liabilities	<b>(1,380.00)</b>
<b>Balance as at 31st March, 2020</b>	<b><u>20,315.21</u></b>

**ii) The carrying value of the Rights-of-use and depreciation charged during the year**

For details pertaining to the carrying value of right of use of lease assets and depreciation charged thereon during the year, kindly refer note -4 "Right of use assets ".

**(iii) Amounts recognised in statement of cash flows**

Particulars	As at 31st March, 2020
Total Cash outflow for Leases	<b>(1,380.00)</b>

**(iv) Maturity analysis of Lease Liabilities**

Particulars	As at 31st March, 2020
<b>Maturity Analysis of Contractual Undiscounted Cash Flows</b>	
Less than one year	<b>2,808.30</b>
One to five years	<b>12,251.11</b>
More than five years	<b>15,939.23</b>
<b>Total undiscounted Lease Liability</b>	
<b>Balances of Lease Liabilities</b>	
Non Current Lease Liability	<b>19,310.54</b>
Current Lease Liability	<b>1,004.67</b>
<b>Total Lease Liability</b>	<b><u>20,315.21</u></b>

**NOTES (CONTD.)****40 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.

<b>Rs. in Thousand</b>		
<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Not due	-	-
Less than 6 month	<b>387.84</b>	-
More than 6 month	<b>398.46</b>	399.41

**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**

<b>Rs. in Thousand</b>				
<b>Particulars</b>	<b>As at 31st March, 2020</b>			
	<b>0-1 year</b>	<b>1-5 year</b>	<b>Beyond 5 year</b>	<b>Total</b>
Borrowing ( Including current maturity of long term borrowing	<b>5,234.30</b>	<b>12,783.24</b>	-	<b>18,017.54</b>
Trade Payable	<b>62,840.30</b>	-	-	<b>62,840.30</b>
Other Current Liabilities	<b>4,260.24</b>	-	-	<b>4,260.24</b>

<b>Particulars</b>	<b>As at 31st March, 2019</b>			
	<b>0-1 year</b>	<b>1-5 year</b>	<b>Beyond 5 year</b>	<b>Total</b>
Borrowing ( Including current maturity of long term borrowing	5,234.30	16,952.20	-	22,186.50
Trade Payable	16,601.77	-	-	16,601.77
Other Current Liabilities	2,649.66	-	-	2,649.66

**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 (CONTD.)**

<b>Exposure to Interest Rate Risk</b>		<b>Rs. in Thousand</b>	
<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>	
Total Borrowings	<b>18,017.54</b>	22,186.50	
% of Borrowings out of above bearing variable rate of interest	<b>100%</b>	100%	

**Interest Rate Sensitivity:**

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

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
100 bp increase would decrease the profit before tax by	<b>201.62</b>	243.32
100 bp decrease would Increase the profit before tax by	<b>201.62</b>	243.32

**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:

<b>Particulars</b>	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>Foreign Currency Monetary Assets</b>	<b>Foreign Currency Monetary Liabilities</b>	<b>Foreign Currency Monetary Assets</b>	<b>Foreign Currency Monetary Liabilities</b>
USD	<b>2.33</b>	-	2.00	-
EURO	-	-	17.98	-

**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.

<b>Particulars</b>	<b>Rs. in Thousand</b>			
	<b>As at 31st March, 2020</b>		<b>As at 31st March, 2019</b>	
	<b>5% Weakened</b>	<b>5% Strengthen</b>	<b>5% Weakened</b>	<b>5% Strengthen</b>
<b>Foreign Currency Monetary Assets</b>				
USD	<b>8.81</b>	<b>(8.81)</b>	6.92	(6.92)
EURO	-	-	69.81	(69.81)
<b>Foreign Currency Monetary Liabilities</b>				
USD	-	-	-	-
EURO	-	-	-	-
<b>Impact on profit or loss as at the end of reporting year</b>	<b>8.81</b>	<b>(8.81)</b>	76.72	(76.72)

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.

**41.** 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

**For and on behalf of the Board**

**N. Ramani**

Partner

Mem. No. 022438

Chennai, 29th June, 2020

**Amrishpal Singh**

Managing Director

DIN: 02735647

**Manoj Khattar**

Director

DIN: 00694981

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 14<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2020:

### Financial Statements Summary

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2020 is summarized below:

(Rs. In Thousand)

Particulars	2019-20	2018-19
Total Income	4108.43	3,903.83
Total Expenses	5573.83	5,429.33
Tax Expense	-	-
Profit / (Loss) for the year after Tax	(1465.40)	(1,525.50)

### Operations Review

Your Company has requested the Andhra Pradesh Government for issue of no objection certificate (NOC) of de-notification of SEZ as its not viable for leather industry to work in SEZ environment due to applicability of MAT and non-availability of duty drawback incentives. The request of the Company is pending for approval and efforts are being made to see the SEZ de-notified at the earliest.

The Company will follow-up for setting up of units by domestic and international companies immediately after completion of de-notification.

The performance of the unit operated by Bhartiya International Limited in our industrial park has been satisfactory.

### Dividend

Your directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2020.

### 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 31<sup>st</sup> March, 2020.

The issued, subscribed and paid-up share capital of your Company stood at Rs. 13,56,92,300/- (Rupees Thirteen Crore Fifty-Six Lacs Ninety-Two Thousand Three Hundred Only) comprising of 1,35,69,230 (One Crore Thirty-Five Lacs Sixty-Nine Thousand Two Hundred Thirty Only) equity shares of Rs. 10/- (Rupees Ten only) each as on 31<sup>st</sup> March, 2020.

### 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 31<sup>st</sup> March, 2020.

### Statutory Auditors

The Statutory Auditors of the Company, M/s. K A S G & Co., Chartered Accountants were appointed in the 11<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September, 2017 as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 16<sup>th</sup> Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7<sup>th</sup> 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 14<sup>th</sup> Annual General Meeting 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.



## Extract of Annual Return

The extract of the annual return as provided under section 92(3) in Form No. MGT – 9 is enclosed and part of the Board's report as 'Annexure A'.

## Board of Directors and Committees of Board

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Manoj Khattar, Director of the Company is liable to retire by rotation at the ensuing 14<sup>th</sup> Annual General Meeting and being eligible offers himself for re-appointment.

Further at the 13<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2019, Mr. C. L. Handa and Mr. Sandeep Seth were appointed as Independent Directors to hold office for 5 (Five) consecutive years up to the conclusion of 18<sup>th</sup> Annual General Meeting to be held in the year 2024 and whose office shall not be liable to retirement of Directors by rotation.

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.

The Board of Directors of the Company appointed Mr. P. Pratap as an Additional Director of the Company w.e.f. 10<sup>th</sup> July, 2020 being Nominee of Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC), and who holds office up to the date of ensuing 14<sup>th</sup> 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.

Also, the Board appointed Mr. Mukul Harmilapi as an Additional Director of the Company w.e.f. 10<sup>th</sup> August 2020 pursuant to the recommendation of the Nomination & Remuneration Committee of the Board of Directors of the Company and who holds office up to the date of ensuing 14<sup>th</sup> Annual General Meeting of the Company, being eligible for re-appointment as Director 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. C L Handa	Independent Director	23.09.2019	-	-
2	Mr. Sandeep Seth	Independent Director	23.09.2019	-	-
3	Mr. P. Pratap	Additional Director	10.07.2020		
4	Mr. Mukul Harmilapi	Additional Director	10.08.2020	-	-

### b) Number of Meetings of the Board of Directors

During the Financial Year 2019-20; 4 (Four) Nos. of Board Meetings were conducted on 18<sup>th</sup> May, 2019, 5<sup>th</sup> August, 2019, 25<sup>th</sup> November, 2019, and 7<sup>th</sup> February, 2020.

### 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 15<sup>th</sup> February, 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 31<sup>st</sup> March, 2020.

### **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-B'.

### **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

There are no significant and material orders by the regulators / courts / tribunals that would impact the going concern status of the company and its future operations.

### **Directors' Responsibility Statement**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

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

### **Details in respect of adequacy of internal financial controls regarding the Financial Statements**

The Company has 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 31<sup>st</sup> March, 2020 and the date of the report**

There are no material changes occurred in between the financial year ended on 31<sup>st</sup> March, 2020 and date of the report of the company which affects the financial position of the company.

### **Subsidiaries / Joint Ventures / Associate Companies during the year**

During the period under review there was no Subsidiary / Joint Venture / Associate Company to the Company.

### **Acknowledgements**

The Directors place on record their appreciation for the continued support and co-operation rendered by the Banks, Government Authorities, Suppliers and the consumers and the shareholders of the Company. The Directors also convey their thanks to the employees at all levels for the growth of the Company.

**For and on behalf of the Board**

**Amrishpal Singh**

Managing Director

DIN: 02735647

**Manoj Khattar**

Director

DIN: 00694981

Gurugram, 10<sup>th</sup> August, 2020

**‘Annexure-A’  
Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	:	U74999DL2007PLC159827
ii) Registration Date	:	27/02/2007
iii) Name of the Company	:	Bhartiya international SEZ Ltd.
iv) Category / Sub-Category of Company	:	Public Limited Company
v) Address of the Registered office and contact details	:	E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030
vi) Whether Listed Company	:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	<b>NIVIS CORP SERVE LLP</b> F-111, First Floor, Aditya Arcade, Plot No 30, Community Centre, Preet Vihar, Delhi-110092 Contact No: 011-45201005

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. N.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Building maintenance charges	4520	91.27

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S.N	Name and Address of the Company	CIN/GLN	Holding / subsidiary / Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. 56/7, Nallambakkam, Village, (Via Vandalur), Chennai-600048 Tamil Nadu	L74899TN1987PLC111744	Holding Company	88.95	2(87)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter(s)</b>									
(1) Indian									
a) Individual/ HUF									
b) Central Govt.									
c) State Govt. (s)									
d) Bodies Corp.	-	1,20,69,230	1,20,69,230	88.95	-	1,20,69,230	1,20,69,230	88.95	-
e) Banks / FI									
f) Any									
Other....									
<b>Sub-total (A) (1):-</b>	-	<b>1,20,69,230</b>	<b>1,20,69,230</b>	<b>88.95</b>	-	<b>1,20,69,230</b>	<b>1,20,69,230</b>	<b>88.95</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
a) NRIs - Individuals									
b) Other – Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	<b>1,20,69,230</b>	<b>1,20,69,230</b>	<b>88.95</b>	-	<b>1,20,69,230</b>	<b>1,20,69,230</b>	<b>88.95</b>	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt. (s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others-State Govt. Company	-	15,00,000	15,00,000	11.05	-	15,00,000	15,00,000	11.05	-
<b>Sub-total (B)(1):-</b>	-	<b>15,00,000</b>	<b>15,00,000</b>	<b>11.05</b>	-	<b>15,00,000</b>	<b>15,00,000</b>	<b>11.05</b>	-
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others									
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	15,00,000	15,00,000	11.05	-	15,00,000	15,00,000	11.05	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>1,35,69,230</b>	<b>1,35,69,230</b>	<b>100</b>	-	<b>1,35,69,230</b>	<b>1,35,69,230</b>	<b>100</b>	-

**(ii) Shareholding of Promoters**

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share- holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bhartiya International Limited	1,20,69,230	88.95	-	1,20,69,230	88.95	-	-
	<b>Total</b>	<b>1,20,69,230</b>	<b>88.95</b>	<b>-</b>	<b>1,20,69,230</b>	<b>88.95</b>	<b>-</b>	<b>-</b>

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

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

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

S. N.	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Shareholder's Name	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Andhra Pradesh Industrial Infrastructure Corporation Limited	At the beginning of the year	15,00,000	11.05	15,00,000	11.05
		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
		At the End of the year (or on the date of separation, if separated during the year)	15,00,000	11.05	15,00,000	11.05

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

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

**V. INDEBTEDNESS**

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

**(Rs in Lacs)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
· Addition				
· Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

B. Remuneration to other Directors:

S.N.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors · Fee for attending Board Committee Meetings · Commission · Others, please specify	-NIL -	
	Total (1)		
2.	Other Non-Executive Directors · Fee for attending Board Committee Meetings · Commission · Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WT**

(Amount in Rs.)

S.N	Particulars of Remuneration	Key Managerial Personnel			
		MD	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	2,54,000	Nil	2,54,000
			-		-
			-		-
2.	Stock Option		-		-
3.	Sweat Equity		-		-
4.	Commission - as % of profit - others, specify...		-		-
5.	Others, please specify		-		-
	<b>Total</b>		<b>2,54,000</b>		<b>2,54,000</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There are no penalties, punishments, or compounding of offence during the year ended 31<sup>st</sup> March, 2020.

**For and on behalf of the Board**

**Amrishpal Singh**  
Managing Director  
DIN: 02735647

**Manoj Khattar**  
Director  
DIN: 00694981

Gurugram, 10<sup>th</sup> August, 2020

**ANNEXURE FORMING PART OF THE DIRECTOR'S REPORT****'ANNEXURE-B'**

(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					
<b>FORM NO. AOC-2</b>					
<b>I.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis</b>				
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 / 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				
<b>II.</b>	<b>Details of material contracts / arrangement / transactions at arm's length basis</b>				
<b>S. N.</b>	<b>Name of the Related Party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts / arrangements/ transactions</b>	<b>Salient terms of the contracts / arrangements / transactions including the value, if any</b>	<b>Amount paid as advances if any</b>
1.	Bhartiya International Limited	Service charges received	Ongoing basis	Rs. 3749.60/-	-



## 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 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: 20075701AAAAAD3363  
Gurugram, 19th June, 2020

## 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, 2020, 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, 2020 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: 20075701AAAAAD3363

Gurugram, 19th June, 2020

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## **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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020, 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: 20075701AAAAAD3363  
Gurugram, 19th June, 2020

**BALANCE SHEET AS AT 31ST MARCH, 2020****Rs. in Thousand**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>I Assets</b>			
<b>1 Non - Current Assets</b>			
(a) Property, Plant and Equipment	2	<b>873.82</b>	875.24
(b) Financial Assets			
(i) Loan	3	<b>90.00</b>	-
(c) Other Non-Current Assets	4	<b>120.00</b>	180.00
<b>2 Current Assets</b>			
(a) Inventories	5	<b>125,611.59</b>	125,611.59
(b) Financial Assets			
(i) Trade receivables	6	<b>1,185.49</b>	3,793.76
(ii) Cash and Cash equivalents	7	<b>5,801.54</b>	5,371.63
(c) Current Tax Assets		<b>313.20</b>	202.32
(d) Other Current Assets	8	<b>373.88</b>	365.69
<b>Total Assets</b>		<b><u>134,369.52</u></b>	<u>136,400.23</u>
<b>II Equity And Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	9	<b>135,692.30</b>	135,692.30
(b) Other Equity	10	<b>(2,647.77)</b>	(1,206.43)
<b>2 Liabilities</b>			
<b>Non - Current Liabilities</b>			
(a) Provisions	11	<b>32.03</b>	41.67
<b>3 Current Liabilities</b>			
(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>		<b>323.22</b>	239.95
(ii) Other financial liabilities	13	<b>931.74</b>	1,604.13
(b) Provisions	14	<b>38.00</b>	28.61
<b>Total of Equity and Liabilities</b>		<b><u>134,369.52</u></b>	<u>136,400.23</u>

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

Chartered Accountants

Firm Reg. No. 002228C

**For and on behalf of the Board****R.B. Sharma**

Partner

Mem. No. 075701

**Varsha**

Company Secretary

Mem. No. A-25802

**Manoj Khattar**

Director &amp; CFO

DIN: 00694981

**Amrishpal Singh**

Managing Director

DIN: 02735647

Gurugram, 19th June, 2020

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020****Rs. in Thousand**

<b>Particulars</b>	<b>Note No.</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>Income</b>			
Revenue from Operations	15	<b>3,749.60</b>	3,514.53
Other Income	16	<b>358.83</b>	389.30
<b>Total Income</b>		<b><u>4,108.43</u></b>	<u>3,903.83</u>
<b>Expenses</b>			
Employee Benefits Expense	17	<b>544.78</b>	437.73
Depreciation and Amortisation Expense	18	<b>1.43</b>	8.61
Other expenses	19	<b>5,027.62</b>	4,982.99
<b>Total Expenses</b>		<b><u>5,573.83</u></b>	<u>5,429.33</u>
<b>Profit/ (Loss) before Tax</b>		<b>(1,465.40)</b>	(1,525.50)
<b>Tax expenses</b>			
i Current Tax		-	-
ii Deferred Tax		-	-
<b>Profit / (Loss) for the year from continuing Operation</b>		<b><u>(1,465.40)</u></b>	<u>(1,525.50)</u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be Reclassified to profit or Loss ;</b>			
Remeasurements of the defined benefit plans		<b>24.06</b>	(2.82)
<b>Total Comprehensive Income for the Year</b>		<b><u>(1,441.34)</u></b>	<u>(1,528.32)</u>
<b>Earnings per equity share of face value</b>			
Basic (in Rs.)		<b>(0.11)</b>	(0.11)
Diluted (in Rs.)		<b>(0.11)</b>	(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

**Varsha**

Company Secretary

Mem. No. A-25802

**Manoj Khattar**

Director &amp; CFO

DIN: 00694981

**Amrishpal Singh**

Managing Director

DIN: 02735647

Gurugram, 19th June, 2020

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020****Rs. in Thousand**

<b>Particulars</b>	<b>Note No.</b>	<b>Equity Share Capital (Rs)</b>
a) <b>Equity Share Capital</b>	9	
<b>Balance as at 1st April, 2018</b>		135,692.30
Change in equity share capital during the year 2018-19		-
<b>Balance as at 31st March, 2019</b>		135,692.30
Change in equity share capital during the year 2019-20		-
<b>Balance as at 31st March, 2020</b>		135,692.30

<b>Particulars</b>	<b>Note No.</b>	<b>Retained Earnings (Rs)</b>
b) <b>Other Equity</b>	10	
<b>As at 1st April, 2018</b>		321.89
Profit/(Loss) for the year 2018-19		(1,525.50)
Other comprehensive income for the year		(2.82)
<b>As at 31st March, 2019</b>		<b>(1,206.43)</b>
Profit/(Loss) for the period		(1,465.40)
Other comprehensive income for the year		24.06
<b>As at 31st March, 2020</b>		<b>(2,647.77)</b>

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

**Varsha**  
Company Secretary  
Mem. No. A-25802

**Manoj Khattar**  
Director & CFO  
DIN: 00694981

**Amrishpal Singh**  
Managing Director  
DIN: 02735647

Gurugram, 19th June, 2020



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020****Rs. in Thousand**

<b>Particular</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (Loss) before Tax</b>	<b>(1,465.40)</b>	<b>(1,525.50)</b>
<i>Adjustment for :</i>		
Depreciation and amortisation expense	<b>1.43</b>	8.61
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(1,463.97)</b>	<b>(1,516.89)</b>
<i>Movements in working capital:</i>		
Decrease/ (increase) in trade receivable	<b>2,608.26</b>	431.55
Decrease/ (increase) in Other Current Financial Assets	-	33.63
Decrease/ (increase) in Loan	<b>(90.00)</b>	-
Decrease/ (increase) in Other Assets	<b>51.81</b>	(201.70)
Increase/ (decrease) in Trade Payables	<b>83.27</b>	3.60
Increase/ (decrease) in other current financial liabilities	<b>(672.40)</b>	1,543.13
Increase/ (decrease) in short term provisions	<b>9.39</b>	5.44
Increase/ (decrease) in long term provisions	<b>14.43</b>	12.02
<b>Cash generated / (used in) from Operations</b>	<b>540.79</b>	310.78
Income tax paid (Net)	<b>(110.88)</b>	(103.33)
<b>Net Cash Generated / (used in) from Operating Activities - (A)</b>	<b>429.91</b>	207.45
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	-	-
<b>Net cash from/ (used in) investing activities - (B)</b>	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>Net cash from/ (used in) financing activities - (C)</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents - (A+B+C)</b>	<b>429.91</b>	207.45
Cash and cash equivalents as at beginning of the year	<b>5,371.63</b>	5,164.18
<b>Cash and cash equivalents as at the end of the year</b>	<b>5,801.54</b>	5,371.63
<b>Components of Cash and Cash Equivalents:</b>		
Cash on hand	<b>55.25</b>	95.75
Balances with banks	<b>5,746.29</b>	5,275.88
<b>Cash and Cash Equivalents in Cash Flow Statement (refer note 6)</b>	<b>5,801.54</b>	5,371.63

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

**Varsha**  
Company Secretary  
Mem. No. A-25802

**Manoj Khattar**  
Director & CFO  
DIN: 00694981

**Amrishpal Singh**  
Managing Director  
DIN: 02735647

Gurugram, 19th June, 2020

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020

### 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**

<b>Particulars</b>	<b>Buildings</b>	<b>STP</b>	<b>Furniture and Fixtures</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Gross Carrying Amount</b>					
Balance as at 31st March, 2018	6,291.55	1,728.67	30.94	3.70	8,054.86
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>6,291.55</b>	<b>1,728.67</b>	<b>30.94</b>	<b>3.70</b>	<b>8,054.86</b>
Addition	-	-	-	-	-
Disposal	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>6,291.55</b>	<b>1,728.67</b>	<b>30.94</b>	<b>3.70</b>	<b>8,054.86</b>
<b>Accumulated Depreciation</b>					
Balance as at 31st March, 2018	5,573.63	1,578.07	17.22	2.09	7,171.00
Addition	-	-	8.61	-	8.61
Disposal	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>5,573.63</b>	<b>1,578.07</b>	<b>25.83</b>	<b>2.09</b>	<b>7,179.61</b>
Addition	-	-	1.43	-	1.43
Disposal	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>5,573.63</b>	<b>1,578.07</b>	<b>27.26</b>	<b>2.09</b>	<b>7,181.04</b>
<b>Net Carrying Amount</b>					
<b>Balance as at 31st March, 2019</b>	<b>717.92</b>	<b>150.60</b>	<b>5.11</b>	<b>1.61</b>	<b>875.24</b>
<b>Balance as at 31st March, 2020</b>	<b>717.92</b>	<b>150.60</b>	<b>3.69</b>	<b>1.61</b>	<b>873.82</b>

**3. CURRENT LOAN**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Security Deposit & Others	<b>90.00</b>	-
<b>TOTAL</b>	<b>90.00</b>	-

**4. OTHER NON CURRENT ASSETS**

(a) Prepaid Expenses	<b>120.00</b>	180.00
<b>TOTAL</b>	<b>120.00</b>	180.00

**5. INVENTORIES**

(a) Land and Land Development cost	<b>125,611.59</b>	125,611.59
<b>TOTAL</b>	<b>125,611.59</b>	125,611.59

**6. TRADE RECEIVABLES**

(Unsecured, considered good)

(a) Trade Receivable	-	-
(b) Receivable from related parties	<b>1,185.49</b>	3,793.76
<b>TOTAL</b>	<b>1,185.49</b>	3,793.76

**NOTES (CONTD.)****Rs. in Thousand****7. CASH AND CASH EQUIVALENT**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
a) Balances with Banks		
In current accounts	<b>583.58</b>	436.11
In deposit Accounts	<b>5,162.71</b>	4,839.77
b) Cash on Hand	<b>55.25</b>	95.75
<b>TOTAL</b>	<b><u>5,801.54</u></b>	<u>5,371.63</u>

**8. OTHER CURRENT ASSETS**

a) Prepaid Expenses	<b>60.00</b>	60.00
b) GST Receivable	<b>13.88</b>	5.69
c) Capital Advances	<b>300.00</b>	300.00
<b>TOTAL</b>	<b><u>373.88</u></b>	<u>365.69</u>

**9. SHARE CAPITAL****Authorised Share Capital**

a) 20,000,000 (31st March, 2019: 20,000,000) Equity Shares of Rs 10/- Each	<b>200,000.00</b>	200,000.00
	<b><u>200,000.00</u></b>	<u>200,000.00</u>

**Issued, Subscribed & Paid up :**

a) 13,569,230 (31st March, 2019: 13,569,230) Equity Shares of 10/- Each Fully Paid up	<b>135,692.30</b>	135,692.30
<b>Total</b>	<b><u>135,692.30</u></b>	<u>135,692.30</u>

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

<b>Particulars</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2020 Amount (Rs.)</b>	<b>As at 31st March, 2019 No. of Shares</b>	<b>As at 31st March, 2019 Amount (Rs.)</b>
Shares outstanding at the beginning of the year	<b>13,569,230</b>	<b>135,692.30</b>	13,569,230	135,692.30
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b><u>13,569,230</u></b>	<b><u>135,692.30</u></b>	<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

<b>Name of the Share holders</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2020 % of Holding</b>	<b>As at 31st March, 2019 No. of Shares</b>	<b>As at 31st March, 2019 % of Holding</b>
(a) Bhartiya International Ltd.	<b>120,69,230</b>	<b>88.95</b>	120,69,230	88.95
(b) Andhra Pradesh Industrial & Infrastructure Corporation Ltd.	<b>1500,000</b>	<b>11.05</b>	1500,000	11.05

**NOTES (CONTD.)****9.4 Shares held by holding company and subsidiaries of holding company in aggregate** **Rs. in Thousand**

<b>Particulars</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2019 No. of Shares</b>
(a) Shares held by holding company, Bhartiya International Ltd.	<b>120,69,230</b>	120,69,230

**10. OTHER EQUITY**

<b>Particulars</b>	<b>Retained Earning</b>	<b>Total</b>
<b>Balance as at 31st March, 2018</b>	<b>321.89</b>	<b>321.89</b>
Profit/(Loss) for the year	<b>(1,525.50)</b>	(1,525.50)
Other comprehensive income for the year	<b>(2.82)</b>	(2.82)
<b>Balance as at 31st March, 2019</b>	<b>(1,206.43)</b>	<b>(1,206.43)</b>
Profit/(Loss) for the year	<b>(1,465.40)</b>	(1,465.40)
Other comprehensive income for the year	<b>24.06</b>	24.06
<b>Balance as at 31st March, 2020</b>	<b>(2,647.77)</b>	<b>(2,647.77)</b>

**11. NON CURRENT PROVISIONS**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Provision for Employees Benefit	<b>32.03</b>	41.67
<b>TOTAL</b>	<b>32.03</b>	41.67

**12. TRADE PAYABLE**

(a) Payable to Micro & Small Enterprises	-	-
(b) Payable to Others	<b>323.22</b>	239.95
<b>TOTAL</b>	<b>323.22</b>	239.95

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	<b>42.49</b>	56.28
(b) Expenses Payable	<b>879.65</b>	1,539.98
(c) Statutory Dues Payable	<b>9.60</b>	7.87
<b>TOTAL</b>	<b>931.74</b>	1,604.13

**14. PROVISIONS**

(a) Provision for Employees Benefits	<b>38.00</b>	28.61
<b>TOTAL</b>	<b>38.00</b>	28.61

**15. REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
(a) Service Charges	<b>3,749.60</b>	3,514.53
<b>TOTAL</b>	<b>3,749.60</b>	3,514.53

**NOTES (CONTD.)**

<b>16. OTHER INCOME</b>		<b>Rs. in Thousand</b>	
<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>	
(a) Interest Income on			
- Bank Deposit	<b>358.83</b>	330.39	
- Security Deposit	-	33.63	
(b) Misc. Income	-	25.28	
<b>TOTAL</b>	<b><u>358.83</u></b>	<u>389.30</u>	
<b>17. EMPLOYEE BENEFIT EXPENSES</b>			
(a) Salary & Allowances	<b>520.86</b>	414.16	
(b) Contribution to Provident & Other fund	<b>23.92</b>	23.57	
<b>TOTAL</b>	<b><u>544.78</u></b>	<u>437.73</u>	
<b>18. DEPRECIATION AND AMORTISATION</b>			
(a) Depreciation on Property Plant and Equipment	<b>1.43</b>	8.61	
<b>TOTAL</b>	<b><u>1.43</u></b>	<u>8.61</u>	
<b>19. OTHER EXPENSES</b>			
(a) Legal And Professional Charges	<b>5.50</b>	251.50	
(b) Auditors Remuneration	<b>30.00</b>	30.00	
(c) Bank Charges	<b>7.33</b>	3.88	
(d) Rates Taxes & Duties	<b>21.00</b>	8.01	
(e) Travelling	<b>11.07</b>	15.07	
(f) Conveyance Expenses	<b>17.70</b>	14.57	
(g) Fees & Subscription	<b>90.98</b>	79.51	
(h) Security Expenses	<b>3,363.30</b>	2,906.96	
(i) Business promotion	<b>50.35</b>	8.85	
(j) General Expenses	<b>101.26</b>	122.19	
(k) Postage & Courier	<b>0.18</b>	4.19	
(l) Service charges to Authorities	<b>1,328.84</b>	1,512.98	
(m) Misc. Exp.	<b>0.11</b>	25.28	
<b>TOTAL</b>	<b><u>5,027.62</u></b>	<u>4,982.99</u>	

**20.1 EARNING PER SHARE**

<b>Particulrs</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
a) Net Profit/(loss) for the year	<b>(1,465.40)</b>	(1,525.50)
b) Weighted Average Shares Outstanding during the year	<b>13,569.23</b>	13,569.23
c) Basic/Diluted earnings per share	<b>(0.11)</b>	(0.11)



**NOTES (CONTD.)**

## 20.2 Auditor's Remuneration

Rs. in Thousand

	Current Year Rs.	Previous Year Rs.
<b>Audit Fees</b>	<b>30.00</b>	30.00

20.03 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.

## 20.4 Related Party Disclosures

**i) Holding Company**

Bhartiya International Ltd.

**ii) Transactions during the year with Related Parties:**

<b>Service Charges Received</b>	<b>3,749.60</b>	3,514.53
Bhartiya International Ltd		

<b>Other Income</b>	-	25.28
Bhartiya International Ltd.		

**iii) Balances Outstanding at the year end:**

Trade Receivable		
Bhartiya International Ltd	<b>1,185.49</b>	3,793.76

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

**a) Defined Contribution Plans**

Particulars	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Detail of amount recognised as expense for defined contribution plans is given below:		
a) Employees State Insurance Corporation	<b>9.50</b>	11.56

**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, 2020	As at 31st March, 2019
Discount rate	<b>6.65%</b>	7.70%
Salary increase rate	<b>6.00%</b>	6.00%
In service mortality	<b>IALM (2006-08)</b>	IALM (2006-08)

**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, 2020	For the Year Ended 31st March, 2019
Current Services Cost	<b>11.22</b>	10.00
Interest Cost	<b>3.21</b>	2.01
<b>Components of defined Benefit costs recognised in Profit or Loss</b>	<b>14.43</b>	12.01
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/ losses on obligation for the year	<b>(24.06)</b>	2.82
<b>Net (Income)/Expenses for the year ended recognized in OCI</b>	<b>(24.06)</b>	2.82

**NOTES (CONTD.)****Rs. in Thousand****iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit obligation:**

<b>Particulars</b>	<b>For the Year Ended 31st March, 2020</b>	<b>For the Year Ended 31st March, 2019</b>
Present Value of defined benefit obligation	<b>32.03</b>	41.67

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

<b>Particulars</b>	<b>For the Year Ended March 31, 2020</b>	<b>For the Year Ended March 31, 2019</b>
Opening defined benefit obligation	<b>41.67</b>	26.84
Current service Cost	<b>11.22</b>	10.00
Interest Cost	<b>3.21</b>	2.01
Actuarial (gains)/ losses	<b>(24.06)</b>	2.82
Closing defined benefit obligation	<b>32.04</b>	41.67

**Sensitivity Analysis:**

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

<b>Particulars</b>	<b>Increase effect</b>	<b>Decrease effect</b>
Effect of Increase/decrease in discount rate by 0.50% on Defined benefit obligations	<b>29.31</b>	35.08
Effect of Increase/decrease in salary escalation by 0.50% on Defined benefit obligations	<b>35.08</b>	29.28
A quantitative sensitivity analysis for significant assumptions as at March 31, 2019 is as follows:		
Effect of Increase/decrease in discount rate by 1% on Defined benefit obligations	<b>38.44</b>	45.23
Effect of Increase/decrease in salary escalation by 1% on Defined benefit obligations	<b>45.27</b>	38.38

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

**20.06 Fair Value measurement:**

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

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

Trade receivables, cash and cash equivalents, other bank balances, other current financial assets, current borrowings, trade payables and other current financial liabilities: approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

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

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

**NOTES (CONTD.)**

<b>Particulars</b>	<b>Rs. in Thousand</b>			
	<b>As at 31st March, 2020</b>			
	<b>Carrying Amount</b>	<b>Level of input used in</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade receivable	<b>1,185.49</b>	-	-	<b>1,185.49</b>
Cash & cash equivalents		-	-	
	<b>5,801.54</b>			<b>5,801.54</b>
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Trade payables	<b>323.22</b>	-	-	<b>323.22</b>
Other Financial Liabilities	<b>931.74</b>	-	-	<b>931.74</b>
<b>Particulars</b>	<b>As at 31st March, 2019</b>			
	<b>Carrying Amount</b>	<b>Level of input used in</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade receivable	3,793.76	-	-	3,793.76
Cash & cash equivalents	5,371.63	-	-	5,371.63
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Trade Payables	239.95	-	-	239.95
Other Financial Liabilities	1,604.13	-	-	1,604.13

**20.07 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.

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Not due	-	-
Less than 6 months	<b>1,185.49</b>	3,793.76
More than 6 months		-

**NOTES (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**

<b>Particulars</b>	<b>As at 31st March, 2020</b>			
	<b>0-1 year</b>	<b>1-5 year</b>	<b>Beyond 5 year</b>	<b>Total</b>
Trade Payable	<b>323.22</b>	-	-	<b>323.22</b>
Other Current Liabilities	<b>931.74</b>	-	-	<b>931.74</b>

<b>Particulars</b>	<b>As at 31st March, 2019</b>			
	<b>0-1 year</b>	<b>1-5 year</b>	<b>Beyond 5 year</b>	<b>Total</b>
Trade Payable	239.95	-	-	239.95
Other Current Liabilities	1,604.13	-	-	1,604.13

**Market Risk**

Company has no foreign currency exposure and does not have hedge position in currency market, thus Company does not foresee any market risk.

- 20.08 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

**Varsha**

Company Secretary

Mem. No. A-25802

**Manoj Khattar**

Director & CFO

DIN: 00694981

**Amrishpal Singh**

Managing Director

DIN: 02735647

Gurugram, 19th June, 2020

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2020 are as follows:

(Rs. In Thousands)

Particulars	2019-20	2018-19
Total Income	<b>1041.74</b>	3189.59
Expenditure	<b>583.68</b>	2718.94
Profit/ (loss) for the year	<b>458.06</b>	470.65

### PERFORMANCE REVIEW

During the year under review, the total income was reported at Rs. 1041.74 Thousands as against Rs. 3189.59 Thousands in the previous year. The Net Profit after tax was reported at Rs. 458.06 thousands as compared to profit of Rs. 470.65 thousands last year.

### DIVIDEND

Yours directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2020.

### RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

### SHARE CAPITAL

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

### PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any subsidiary or Associate Company.

### EXTRACT OF ANNUAL RETURN

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

### DIRECTORS

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. A. K. Gadhok (DIN: 01254410), Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

### NUMBER OF MEETINGS OF THE BOARD

During the financial year 2019-20, Five Board Meetings of the Company were held. The details of the Meetings of the Board held during the financial year 2019-20 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. C. L. Handa	Mr. Ashok Kumar Gadhok
25.05.2019	Present	Present	Present
02.08.2019	Present	Present	Present
30.09.2020	Present	Present	Present
06.11.2019	Present	Present	Present
10.02.2020	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 as 'Annexure B'.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 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 13<sup>th</sup> Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7<sup>th</sup> 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 11<sup>th</sup> 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 2020-21.

Further, 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 2019-20, 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 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 31<sup>st</sup> March, 2020 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, 26<sup>th</sup> June, 2020

**ANNEXURE-A**

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31.03.2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	:	U17120DL2009PLC193608
ii)	Registration Date	:	26/08/2009
iii)	Name of the Company	:	Bhartiya Fashion Retail Ltd.
iv)	Category Sub-Category of Company	:	Public Limited Company
v)	Address of the Registered Office and contact details	:	E-52, New Manglapuri, Mandi Road, (Mehrauli), New Delhi-110030 Phone No.: 011-46002100
vi)	Whether Listed Company	:	N.A.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	<b>NIVIS CORP SERVE LLP</b> F-111, First Floor, Aditya Arcade, Plot No 30, Community Centre, Preet Vihar, Delhi- 110092 Contact No: 011-45201005

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. N.	Name and Description of Main Products/Services	NIC Code of the Product/service	% to total turnover of the company
1	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur	741	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter (s)</b>									
<b>(1) Indian</b>									
a. Individual/HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	5,00,000	5,00,000	100	-	5,00,000	5,00,000	100	-
e. Banks/Fiis	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	-	<b>5,00,000</b>	<b>500,000</b>	<b>100</b>		<b>5,00,000</b>	<b>500,000</b>	<b>100</b>	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks/FIIS	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (2) :-A</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	5,00,000	500,000	100		5,00,000	5,00,000	100	-
<b>B. Public Shareholding</b>									
<b>a. Institutions</b>									
i. Mutual Funds	-	-	-	-	-	-	-	-	-
ii. Banks / FI	-	-	-	-	-	-	-	-	-
iii. Central Govt.	-	-	-	-	-	-	-	-	-
iv. State Govt(s)	-	-	-	-	-	-	-	-	-
v. Venture Capital Funds	-	-	-	-	-	-	-	-	-
vi. Insurance Companies	-	-	-	-	-	-	-	-	-
vii. FIs	-	-	-	-	-	-	-	-	-
viii. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
ix. Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
b) Indian	-	-	-	-	-	-	-	-	-
c) Overseas	-	-	-	-	-	-	-	-	-
d) Individuals	-	-	-	-	-	-	-	-	-
e) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
f) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
g) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	500,000	500,000	100		5,00,000	5,00,000	100	-

**(ii) Shareholding of Promoters**

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Bhartiya International Limited	5,00,000	100	-	5,00,000	100	-	-
	<b>TOTAL</b>	<b>5,00,000</b>	<b>100</b>	<b>-</b>	<b>5,00,000</b>	<b>100</b>	<b>-</b>	<b>-</b>

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

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

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

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

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

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

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

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

**B. Remuneration to other Directors:**

S. N.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	- NIL -	
	Total (1)		
2.	Other Non-Executive Directors <ul style="list-style-type: none"> <li>• Fee for attending board committee meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	- NIL -	
	Total (2)		
	Overall Ceiling as per the Act		

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

(Amount in Rs.)

S. N.	Particulars of Remuneration	Key Managerial Personnel			
		MD	Company Secretary	CFO	Total
1.	Gross Salary <ul style="list-style-type: none"> <li>a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</li> <li>b. Value of perquisites u/s 17(2) Income-tax Act, 1961</li> <li>c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961</li> </ul>	- NIL -			
2.	Stock Option				
3.	Sweat Equity				
4.	Commission <ul style="list-style-type: none"> <li>- as % of profit</li> <li>- others, specify...</li> </ul>				
5.	Others, please specify				
	Total				

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2020.

## INDEPENDENT AUDITORS' 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 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: 20094479AAAACA1735

New Delhi, 26th June, 2020

## **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 2020, 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 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: 20094479AAAACA1735

New Delhi, 26th June, 2020

## **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 31<sup>st</sup> March 2020 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 31<sup>st</sup> March 2020, 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: 20094479AAAACA1735

New Delhi, 26th June, 2020

**BALANCE SHEET AS AT 31ST MARCH, 2020**

		Rs. in Thousand	
Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
<b>I Assets</b>			
<b>1 Non - Current Assets</b>			
(a) Financial Assets			
(i) Loans	2	10.00	-
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Trade Receivables	3	-	279.76
(ii) Cash and Cash Equivalents	4	261.95	210.83
(b) Other Current Assets	5	3.78	234.36
(c) Current tax assets (Net)		405.09	905.08
<b>Total Assets</b>		<b>680.82</b>	<b>1,630.03</b>
<b>II Equity And Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	6	5,000.00	5,000.00
(b) Other Equity	7	(4,441.60)	(4,899.66)
<b>2 Liabilities</b>			
<b>Non - Current Liabilities</b>			
(a) Provisions	8	11.32	-
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowing	9	-	1,200.00
(ii) Other Financial Liabilities	10	103.00	95.33
(b) Provisions	11	8.10	-
(c) Current Tax Liabilities (Net)		-	234.36
<b>Total of Equity and Liabilities</b>		<b>680.82</b>	<b>1,630.03</b>
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, 26th June, 2020

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

			Rs. in Thousand
Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>INCOME</b>			
Revenue from Operations	12	<b>1,000.00</b>	3,050.84
Other Income	13	<b>41.74</b>	138.75
<b>Total Income</b>		<b><u>1,041.74</u></b>	<u>3,189.59</u>
<b>EXPENSES</b>			
Employee Benefit Expense	14	<b>523.64</b>	2,690.64
Other Expenses	15	<b>60.04</b>	28.30
<b>Total Expenses</b>		<b><u>583.68</u></b>	<u>2,718.94</u>
<b>Profit/ (Loss) before Tax</b>		<b>458.06</b>	470.65
<b>Tax Expenses</b>			
i    Current Tax		-	90.55
ii   Deferred Tax		-	-
iii  Mat Credit Entitlement		-	(90.55)
<b>Profit / (Loss) for the year</b>		<b><u>458.06</u></b>	<u>470.65</u>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year</b>		<b><u>458.06</u></b>	<u>470.65</u>
<b>Earnings per equity share of face value</b>			
Basic (in Rs.)		<b>0.92</b>	0.94
Diluted (in Rs.)		<b>0.92</b>	0.94

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, 26th June, 2020

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

		Rs. in Thousand
Particulars	Note No.	Equity Capital
a) <b>Equity Share Capital</b>	6	
<b>Balance as at 31st March, 2018</b>		5,000.00
Change in Equity Share capital during the year 2018-19		-
<b>Balance as at 31st March, 2019</b>		5,000.00
Change in Equity Share Capital during the year 2019-20		-
<b>Balance as at 31st March, 2020</b>		5,000.00

Particulars	Note No.	Retained Earning
b) <b>Other Equity</b>	7	
<b>Balance As at 31st March, 2018</b>		(5,370.31)
Profit/(Loss) for the year 2018-19		470.65
Other Comprehensive Income for the year		-
<b>Balance as at 31st March, 2019</b>		<b>(4,899.66)</b>
Profit/(Loss) for the year 2019-20		458.06
Other Ccomprehensive Income for the year		-
<b>Balance as at 31st, March 2020</b>		<b>(4,441.60)</b>

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, 26th June, 2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

Particular	Rs. in Thousand	
	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before Tax	458.06	470.65
Adjustment for :		
Operating profit/(loss) before Working Capital Changes	458.06	470.65
Movements in Working Capital:		
Decrease/ (increase) in Trade Receivable	279.76	(142.98)
Increase/ (decrease) in other Current Financial Liabilities	7.67	(1,257.38)
Increase/ (decrease) in provisions	19.42	(151.30)
Cash (used in) / Generated from Operations	764.90	(1,081.01)
Income tax paid (Net)	(496.22)	305.09
Net cash (used in)/ Generated from Operating Activities - (A)	1,261.12	(1,386.10)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Security Deposit	(10.00)	-
Net Cash from/ (used in) Investing Activities - (B)	(10.00)	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from Short Term Borrowing	(1,200.00)	1,200.00
Net cash from/ (used in) financing activities - (C)	(1,200.00)	1,200.00
Net increase / (decrease) in cash and cash equivalents - (A+B+C)	51.12	(186.10)
Cash and cash equivalents as at beginning of the year	210.83	396.93
Cash and Cash Equivalents as at the end of the year	261.95	210.83
<b>Components of Cash and Cash Equivalents:</b>		
Cash on hand	31.49	48.17
Balances with banks	230.46	162.66
Cash and Cash Equivalents in Cash Flow Statement	261.95	210.83

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

**Manoj Khattar**  
 Director  
 DIN: 00694981

**A.K. Gadhok**  
 Director  
 DIN: 01254410

New Delhi, 26th June, 2020

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

### **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.

**NOTES (CONTD.)****f) Financial Instruments**

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

**Financial Assets**

These include Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Fixed Deposits with Banks, Other financial assets and Investments.

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

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

Financial assets are subsequently classified as measured at

- Amortised cost
- Fair Value through profit and loss (FVTPL)
- Fair Value through other comprehensive income (FVOCI).

**Derecognition**

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

**Financial Liabilities****Initial Recognition and Measurement**

These include trade and other payables, loans and borrowings including Bank Over draft.

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

**Subsequent Measurement**

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

**Loans and Borrowings**

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

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

**Derecognition**

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

**NOTES (CONTD.)****2. NON-CURRENT LOAN** **Rs in Thousand**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(Unsecured, Considered good)		
a) Security Deposit	<b>10.00</b>	-
<b>TOTAL</b>	<b><u>10.00</u></b>	<b><u>-</u></b>

**3. TRADE RECEIVABLES**

(Unsecured, Considered good)

a) Trade Receivables	-	279.76
<b>TOTAL</b>	<b><u>-</u></b>	<b><u>279.76</u></b>

**4. CASH AND CASH EQUIVALENTS**

a) Balances with Banks

- In current Accounts 230.46 162.66b) Cash on Hand 31.49 48.17**TOTAL** **261.95** **210.83****5. OTHER CURRENT ASSETS**a) MAT Credit Entitlement 3.78 234.36**TOTAL** **3.78** **234.36****6. SHARE CAPITAL****Authorised Share Capital :**

a) 500,000 ( Previous Year 500,000) Equity Shares of Rs.10/- each	<b>5,000.00</b>	5,000.00
	<b><u>5,000.00</u></b>	<b><u>5,000.00</u></b>

**Issued, Subscribed & Paid up :**

a) 500,000 ( Previous Year 500,000) Equity Shares of Rs.10/- each, Fully Paid Up	<b>5,000.00</b>	5,000.00
<b>TOTAL</b>	<b><u>5,000.00</u></b>	<b><u>5,000.00</u></b>

## 6.1 Reconciliation of the number of shares outstanding is set out below:

<b>Particulars</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2020 Amount (Rs.)</b>	<b>As at 31st March, 2019 No. of Shares</b>	<b>As at 31st March, 2019 Amount (Rs.)</b>
Shares outstanding at the beginning of the year	<b>500,000</b>	<b>5,000.00</b>	500,000	5,000.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<b>500,000</b>	<b>5,000.00</b>	500,000	5,000.00

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:

<b>Name of the share holders</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2020 % of Holding</b>	<b>As at 31st March, 2019 No. of Shares</b>	<b>As at 31st March, 2019 % of Holding</b>
(a) Bhartiya International Ltd.	<b>500,000</b>	<b>100.00</b>	500,000	100.00



**NOTES (CONTD.)****Rs in Thousand****6.4 Shares held By Holding Company and Subsidiaries of holding Company in Aggregate:**

<b>Particulars</b>	<b>As at 31st March, 2020 No. of Shares</b>	<b>As at 31st March, 2019 No. of Shares</b>
(a) Shares held by holding company, Bhartiya International Ltd.	<b>500,000</b>	500,000

**7. OTHER EQUITY**

<b>Particulars</b>	<b>Retained Earning</b>	<b>Total</b>
<b>Balance as at 31st March 2018</b>	<b>(5,370.31)</b>	<b>(5,370.31)</b>
Profit for the year	470.65	470.65
Other comprehensive income for the year	-	-
<b>Balance as at 31st March 2019</b>	<b>(4,899.66)</b>	<b>(4,899.66)</b>
Profit for the year	458.06	458.06
Other Comprehensive Income for the year	-	-
<b>Balance as at 31st March 2020</b>	<b>(4,441.60)</b>	<b>(4,441.60)</b>

**8. NON-CURRENT PROVISION**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Provision for Employee Benefit	<b>11.32</b>	-
<b>TOTAL</b>	<b><u>11.32</u></b>	-

**9. CURRENT BORROWING**

(a) Unsecured Loan from Related Parties	-	1,200.00
(Refer to note no.16)		
<b>TOTAL</b>	-	<b><u>1,200.00</u></b>

**10. OTHER CURRENT FINANCIAL LIABILITIES**

(a) Expenses Payable	<b>10.00</b>	20.00
(b) Statutory Dues Payable	<b>27.00</b>	48.26
(c) Due to Employee	<b>66.00</b>	27.07
<b>TOTAL</b>	<b><u>103.00</u></b>	<b><u>95.33</u></b>

**11. CURRENT PROVISION**

(a) Provision for Employee Benefit	<b>8.10</b>	-
<b>TOTAL</b>	<b><u>8.10</u></b>	-

**NOTES (CONTD.)**

<b>12. REVENUE FROM OPERATIONS</b>		<b>Rs in Thousand</b>	
<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>	
a) Designing charges	1,000.00	3,050.84	
<b>TOTAL</b>	<b><u>1,000.00</u></b>	<b><u>3,050.84</u></b>	
<b>13. OTHER INCOME</b>			
a) Interest Income	<b>41.74</b>	-	
b) Excess Provision Written Off	-	138.75	
<b>TOTAL</b>	<b><u>41.74</u></b>	<b><u>138.75</u></b>	
<b>14. EMPLOYEE BENEFIT EXPENSES</b>			
(a) Salary & Allowances	<b>512.32</b>	2,690.64	
(b) Gratuity Expenses	<b>11.32</b>	-	
<b>TOTAL</b>	<b><u>523.64</u></b>	<b><u>2,690.64</u></b>	
<b>15. OTHER EXPENSES</b>			
(a) Audit fees	<b>10.00</b>	10.00	
(b) Bank Charges	<b>0.29</b>	1.40	
(c) Legal & Professional	<b>11.50</b>	4.00	
(d) Rates Taxes & Duties	<b>21.70</b>	10.05	
(e) Fee & Subscription	<b>7.87</b>	-	
(f) Conveyance Expenses	<b>3.15</b>		
(g) Misc.Expense	<b>5.53</b>	2.85	
<b>TOTAL</b>	<b><u>60.04</u></b>	<b><u>28.30</u></b>	
<b>15.1 Earning Per Share (EPS)</b>			
a) Net Profit/(loss) for the year	<b>458.06</b>	470.65	
b) Weighted average number of Equity Shares outstanding during the year	<b>500.00</b>	500.00	
c) Basic/Diluted Earning per share Rs.(a/b)	<b>0.92</b>	0.94	
<b>15.2 Auditor's Remuneration</b>			
Audit Fees	<b>10.00</b>	10.00	
<b>15.3 Related party disclosures as per IND AS-24</b>			
<b>i) Holding Company:</b>			
Bhartiya International Ltd			
<b>ii) Key Management Personnel:</b>			
<b>Directors</b>			
Manoj Khattar			
C.L.Handa			
A.K. Gadhok			

## NOTES (CONTD.)

Rs in Thousand

iii) Transactions during the year with related parties		
Particulars	2019-20	2018-19
<b>1 Designing Charges Received</b>		
Bhartiya International Ltd	1,000.00	3,050.84
vi) Balances Outstanding at the year end:		
<b>1 Borrowing</b>		
Bhartiya International Ltd.	-	1,200.00
<b>2 Trade Receivable</b>		
Bhartiya International Ltd.	-	279.76

## 15.4 Fair Value Measurement

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

The following methods and assumptions were used to estimate the fair values:

Trade receivables, cash and cash equivalents, other bank balances, short term loan, other current financial assets, current borrowings, trade payables and other current financial liabilities: approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

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

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

Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(Rs. in Thousand)

Particulars	As at 31st March, 2020			
	Level of input used in			
	Carrying amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Cash & Cash Equivalents	261.95	-	-	261.95
Long Term Loans	10.00	-	-	10.00
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Other Financial Liabilities	103.00	-	-	103.00
Particulars	As at 31st March, 2019			
	Level of input used in			
	Carrying amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivable	279.76	-	-	279.76
Cash & cash Equivalents	210.83	-	-	210.83
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowing	1,200.00	-	-	1,200.00
Other Financial Liabilities	95.33	-	-	95.33

**NOTES (CONTD.)****15.5 Financial Risk Management**

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include credit risk and liquidity risk.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

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

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

<b>(Rs. in thousand)</b>		
<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
Not due	-	-
Less than 6 month	-	279.76
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**

<b>Particulars</b>	<b>As at 31st March, 2020</b>			
	<b>0-1 year</b>	<b>1-5 year</b>	<b>Beyond 5 year</b>	<b>Total</b>
Other current liabilities	103.00	-	-	103

<b>Particulars</b>	<b>As at 31st March, 2019</b>			
	<b>0-1 year</b>	<b>1-5 year</b>	<b>Beyond 5 year</b>	<b>Total</b>
Other current liabilities	1,295.33	-	-	1,295

**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

**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, 26th June, 2020

**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.**

<b>SL. No.</b>	<b>Particulars</b>	<b>Details</b>
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.

<b>S. N.</b>	<b>Name of the Related Party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts / arrangements/ transactions</b>	<b>Salient terms of the contracts / arrangements / transactions including the value, if any</b>	<b>Amount paid as advances, if any</b>
1	Bhartiya International Ltd.	Designing Charges	Ongoing basis	Rs. 10,00,000/-	-

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2020 are as follows:

**Rs. in Thousands**

Particulars	2019-20	2018-19
Income	<b>50.00</b>	30.00
Expenditure	<b>51.27</b>	21.97
Profit/ (loss) for the year	<b>(1.82)</b>	6.48

### PERFORMANCE REVIEW

During the year under review, the Company earned revenues of Rs. 50.00 Thousands. The net Loss after tax is Rs. 1.82 Thousand during the year under review.

### DIVIDEND

Your directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2020.

### RESERVES

During the period under review, no amount has been transferred to Reserves of the Company.

### SHARE CAPITAL

There are no changes in the capital structure of the Company during the period under review.

### PERFORMANCE OF SUBSIDIARY COMPANIES AND ASSOCIATE COMPANIES

The Company is not having any Subsidiary or Associate Company.

### EXTRACT OF ANNUAL RETURN

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

### DIRECTORS

The Board of Directors comprises of Mr. Manoj Khattar, Mr. Sandeep Seth and Mr. Ashok Kumar Gadhok as Directors of the Company. In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Ashok Kumar Gadhok (DIN: 01254410), Director, retires by rotation at the fifth Annual General Meeting and being eligible offers himself for re-appointment.

### NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2019-20, six Board Meetings of the Company were held. The details of the Meetings of the Board held during the Financial Year 2019-20 is provided below:

Date of Board Meetings	Name of Directors Presents		
	Mr. Manoj Khattar	Mr. Sandeep Seth	Mr. A. K. Gadhok
24.04.2019	Present	Present	Present
25.05.2019	Present	Present	Present
05.08.2019	Present	Present	Present
28.09.2019	Present	Present	Present
11.11.2019	Present	Present	Present
12.02.2020	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 1<sup>st</sup> Annual General Meeting upto 6<sup>th</sup> Annual General Meeting.

The Ministry of Corporate Affairs vide notification No. S.O. 1833(E) dated 7<sup>th</sup> 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 5<sup>th</sup> 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 2020-21.

Further, 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 2019-20.

**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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020 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 OUTGO**

### **a) Conservation of Energy**

The same is not applicable to your Company

### **b) Technology absorption**

The same is not applicable to your Company

### **c) Foreign Exchange Earnings & Outgo**

The same is not applicable to your Company

## **PUBLIC DEPOSIT**

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

## **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable accounting standards for properly maintaining the books of accounts and reporting financial statements.

## **RISK MANAGEMENT**

The Company has adequate risk management process to identify and notify the board of directors about the risk or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the gains. The process and procedures are in place to act in a time bound manner to manage the risks or opportunities. The risk management process is reviewed and evaluated by the Board of Directors.

## **ENVIRONMENT AND SAFETY OF WOMEN EMPLOYEES**

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

In order to prevent sexual harassment of women at workplace, a new act "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" has been notified. Under the said Act every company who has more than 10 employees shall set up an Internal Complaints Committee to look into complaints relating to sexual harassment at workplace of any women employee. Since the Company has no employee, therefore there is no requirement of formulating Internal Complaint Committee and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

## **MATERIAL CHANGES AND COMMITMENTS**

There are no material changes occurred in between the financial year ended on 31<sup>st</sup> March, 2020 and date of the report of the Company which affects the financial position of the Company.

## **ACKNOWLEDGEMENTS:**

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

**For and on behalf of the Board**

**A. K. Gadhok**  
Director  
DIN. 01254410

**Manoj Khattar**  
Director  
DIN. 00694981

New Delhi, 26th June, 2020



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

as on the financial year ended on 31.03.2020

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	:	U70100TN2015PLC101707
ii)	Registration Date	:	06/08/2015
iii)	Name of the Company	:	Bhartiya Urban Infrastructure Ltd.
iv)	Category Sub-Category of Company	:	Public Limited Company
v)	Address of the Regd. Office and contact details	:	56/7, Nallambakkam Village, (Via-Vandalur), Chennai - 600048
vi)	Whether listed company	:	N.A.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	<b>NIVIS CORP SERVE LLP</b> F-111, First Floor, Aditya Arcade, Plot No 30, Community Centre, Preet Vihar, Delhi- 110092 Contact No: 011-45201005

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. N.	Name and Description of Main Products/ Services	NIC Code of the Product/service	% to total turnover of the company
1	Consultancy Services	7020	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. N.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Bhartiya International Ltd. 56/7, Nallambakkam Village, (Via Vandalur), Chennai - 600 048.	L74899TN1987PLC111744	Holding	100%	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Share-holding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter (s)</b>									
<b>(1) Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50,000	50,000	100	-	50,000	50,000	100	-
e) Banks/First	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	-	<b>50,000</b>	<b>50,000</b>	<b>100</b>		<b>50,000</b>	<b>50,000</b>	<b>100</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(1) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
c) Individuals	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FIIS	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	50,000	50,000	100	-	50,000	50,000	100	-
<b>A. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture	-	-	-	-	-	-	-	-	-
f) Capital Funds	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) FIs	-	-	-	-	-	-	-	-	-
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs .1 lakh	-	-	-	-	-	-	-	-	-
<b>c) Others</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	50,000	50,000	100	-	50,000	50,000	100	-

**Shareholding of Promoters**

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Bhartiya International Ltd.	50,000	100	-	50,000	100	-	-
	<b>TOTAL</b>	<b>50,000</b>	<b>100</b>	<b>-</b>	<b>50,000</b>	<b>100</b>	<b>-</b>	<b>-</b>

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

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

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

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

**iii) Shareholding of Directors and Key Managerial Personnel:**

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

**iv) INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

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

**v) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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

**B. Remuneration to other Directors:**

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

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

(Amount in Rs.)

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

**viii) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2020.

## INDEPENDENT AUDITORS' 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 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March 2020, 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 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 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 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: 20094479AAAACB7494

New Delhi, 26th, June, 2020

## **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<sup>st</sup> March 2020, 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: 20094479AAAACB7494  
New Delhi, 26th, June, 2020

## **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 31<sup>st</sup> March 2020 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 31<sup>st</sup> March 2020, 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: 20094479AAAACB7494

New Delhi, 26th, June, 2020

**BALANCE SHEET AS AT 31ST MARCH, 2020****Rs. in Thousand**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>I Assets</b>			
<b>1 Non - Current Assets</b>			
(a) Financial Assets			
(i) Loans	2	10.00	-
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Cash and Cash Equivalents	3	282.05	300.42
(b) Current Tax Assets (Net)		5.00	-
<b>Total Assets</b>		<b>297.05</b>	<b>300.42</b>
<b>II Equity And Liabilities</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	4	500.00	500.00
(b) Other Equity	5	(208.97)	(207.15)
<b>2 Liabilities</b>			
Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	6	6.02	6.02
(b) Current Tax Liabilities		-	1.55
<b>Total of Equity and Liabilities</b>		<b>297.05</b>	<b>300.42</b>

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>Particulars</b>	<b>Note No.</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>Income</b>			
Revenue from Operations	7	50.00	30.00
<b>Total Income</b>		<b>50.00</b>	<b>30.00</b>
<b>EXPENSES</b>			
Other Expenses	8	51.27	21.97
<b>Total Expenses</b>		<b>51.27</b>	<b>21.97</b>
<b>Profit/ (Loss) before Tax</b>		<b>(1.27)</b>	<b>8.03</b>
<b>Tax Expenses</b>			
i Current Tax	9	0.55	1.55
ii Deferred Tax		-	-
<b>Profit / (Loss) for the year</b>		<b>(1.82)</b>	<b>6.48</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year</b>		<b>(1.82)</b>	<b>6.48</b>
Earnings per Equity Share of Rs. 10/- each			
Basic/Diluted (in Rupees)		<b>(0.04)</b>	0.13
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

**A.K. Gadhok**  
 Director  
 DIN: 01254410

**Manoj Khattar**  
 Director  
 DIN:00694981

New Delhi, 26th June, 2020

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>Particulars</b>	<b>Equity Capital Amount (Rs.)</b>
<b>a) Equity Share Capital</b>	
<b>Balance as at 31st March, 2018</b>	<b>500.00</b>
Change in equity share capital during the year 2018-19	-
<b>Balance as at 31st March, 2019</b>	<b>500.00</b>
Change in equity share capital during the year 2019-20	-
<b>Balance as at 31st March, 2020</b>	<b>500.00</b>
<b>Particulars</b>	<b>Retained Earning Amount (Rs.)</b>
<b>b) Other Equity</b>	
<b>As at 31st March, 2018</b>	<b>(213.63)</b>
Profit/(Loss) for the year 2018-19	<b>6.48</b>
<b>As at 31st March, 2019</b>	<b>(207.15)</b>
Profit/(Loss) for the year 2019-20	<b>(1.82)</b>
<b>Balance as at March, 2020</b>	<b>(208.97)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit/(Loss) before tax and exception items</b>	<b>(1.27)</b>	8.03
Adjusted for:	-	-
<b>Operating profit before working capital changes</b>	<b>(1.27)</b>	8.03
Movements in working capital:		
Increase/ (decrease) in other liabilities	-	(4.73)
<b>Cash generated from operations</b>	<b>(1.27)</b>	3.30
Income tax paid (Net)	<b>(7.10)</b>	-
<b>Net cash (used in)/ generated from operating activities - (A)</b>	<b><u>(8.37)</u></b>	<u>3.30</u>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
<b>Security Deposit</b>	<b>(10.00)</b>	-
<b>Net cash from/ (used in) investing activities - (B)</b>	<b>(10.00)</b>	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net cash from/ (used in) financing activities - (C)</b>	-	-
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>(18.37)</b>	3.30
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>300.42</b>	297.12
<b>Cash and Cash Equivalents - Closing Balance</b>	<b><u>282.05</u></b>	<u>300.42</u>

Note: The above statement of cash flows has been prepared under the Indirect Method as set out in IND AS 7 Statement of Cash Flows.

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

**For and on behalf of the Board**

**S. K. Poddar**  
 Partner  
 Mem.No. 094479

**A.K. Gadhok**  
 Director  
 DIN: 01254410

**Manoj Khattar**  
 Director  
 DIN:00694981

New Delhi, 26th June, 2020

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2020**

### **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.

##### **Current Tax**

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

**NOTES (CONTD.)****2. NON-CURRENT LOAN** **Rs. in Thousand**

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured & Considered Good)		
i) Security and Other Deposit	10.00	-
<b>TOTAL</b>	<u>10.00</u>	-

**3. CASH AND CASH EQUIVALENT**

i) Balances with Banks		
In Current Accounts	250.05	265.45
ii) Cash on Hand	32.00	34.97
<b>TOTAL</b>	<u>282.05</u>	<u>300.42</u>

**4. SHARE CAPITAL****Authorised Share Capital**

a) 500,000 ( 31st March 2019: 500,000) Equity Shares of Rs.10/- each	5,000.00	5,000.00
	<u>5,000.00</u>	<u>5,000.00</u>

**Issued, Subscribed & Paid up :**

a) 50,000 ( 31st March 2019: 50,000 ) Equity Shares of Rs.10/- each, Fully Paid Up	500.00	500.00
	<u>500.00</u>	<u>500.00</u>

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

Particulars	As at 31st March, 2020 No. of Shares	As at 31st March, 2020 Amount (Rs)	As at 31st March, 2019 No. of Shares	As at 31st March, 2019 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, 2020 No. of Shares	As at 31st March, 2020 % of Holding	As at 31st March, 2019 No. of Shares	As at 31st March, 2019 % 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, 2020 No. of Shares	As at 31st March, 2019 No. of Shares
(a) Shares held by holding company, Bhartiya International Ltd.	50,000	50,000

**NOTES (CONTD.)****5. Other Equity** **Rs. in Thousand**

<b>Particulars</b>	<b>Retained Earning</b>	<b>Total</b>
<b>Balance as at 31st March, 2018</b>	<b>(213.63)</b>	<b>(213.63)</b>
Profit for the year	<b>6.48</b>	<b>6.48</b>
Other comprehensive income for the year	-	-
<b>Balance as at 31st March, 2019</b>	<b>(207.15)</b>	<b>(207.15)</b>
Profit for the year	<b>(1.82)</b>	<b>(1.82)</b>
Other comprehensive income for the year	-	-
<b>Balance as at 31st March, 2020</b>	<b>(208.97)</b>	<b>(208.97)</b>

**6. OTHER CURRENT FINANCIAL LIABILITIES**

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
(a) Expenses Payable	<b>6.02</b>	6.02
<b>TOTAL</b>	<b><u>6.02</u></b>	<u>6.02</u>

**7. REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended 31st March, 2020</b>	<b>Year Ended 31st March, 2019</b>
(a) Consultancy Charges	<b>50.00</b>	30.00
<b>TOTAL</b>	<b><u>50.00</u></b>	<u>30.00</u>

**8. OTHER EXPENSES**

(a) Audit fees	<b>5.00</b>	5.00
(b) Professional Charges	<b>16.52</b>	15.00
(c) Rates & Taxes	<b>28.87</b>	1.97
(d) Conveyance Charges	<b>0.88</b>	-
<b>TOTAL</b>	<b><u>51.27</u></b>	<u>21.97</u>

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

(a) Current Tax on taxable income for the year	-	1.55
(b) Earlier year Tax	<b>0.55</b>	-
<b>TOTAL</b>	<b><u>0.55</u></b>	<u>1.55</u>

**NOTES (CONTD.)**

9.1 Earning per share computed in accordance with the IND AS -33 is as under: **Rs. in Thousand**

<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March, 2020</b>	<b>Year Ended 31<sup>st</sup> March, 2019</b>
a) Net Profit/(loss) after tax available for equity shareholders	<b>(1.82)</b>	6.48
b) Weighted average number of Equity Shares of Rs. 10/- each	<b>50.00</b>	50.00
c) Basic/Diluted Earning per share Rs.(a/b)	<b>(0.04)</b>	0.13

9.2 Auditor's Remuneration

Audit Fees	<b>5.00</b>	5.00
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9.3 Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of profit and loss as specified in Schedule III to the Act is either 'nil' or 'not applicable' to the Company for the year.

9.4 Debit and credit balances are subject to their confirmation.

9.5 Financial Risk Management

Credit Risk

Company has fully invested in Bank thus Company does not foresee any credit risk.

Liquidity Risk

Company has no borrowings thus Company does not foresee any liquidity risk.

Market Risk

Company has no foreign currency exposure and does not have hedge position in currency market, thus Company does not foresee any market risk.

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, 26th June, 2020

**For and on behalf of the Board**

**A.K. Gadhok**  
 Director  
 DIN: 01254410

**Manoj Khattar**  
 Director  
 DIN:00694981

## DIRECTOR' REPORT

The Director hereby presents his report together with the audited financial statements of the Company for the year ended 31st March, 2020.

### 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 31<sup>st</sup> March, 2020 are set out in the statement of comprehensive income. The statement of financial position of the Company as at 31st March, 2020 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 (2019: 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, 8th May, 2020



## 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, 2020, 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, 2020, 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, 8th May, 2020

**BALANCE SHEET AS AT 31ST MARCH, 2020**

Particulars	Note	31/3/2020	31/3/2019
		HK\$	HK\$
<b><u>ASSETS</u></b>			
<b>Current Assets</b>			
Cash & Bank balances	11	235,080	187,774
Accounts receivable		2,100,204	2,095,896
Due from Holding Compay	10	66,063	66,063
Other Current Assets		42,937	1,306,410
		<u>2,444,284</u>	<u>3,656,143</u>
<b>Total</b>		<u>2,444,284</u>	<u>3,656,143</u>
<b>Current Liabilities</b>			
Accounts Payable		219,528	511,183
Accrued Expenses		142,666	161,620
Amount Due to Subsidiary	10	3,066,600	1,530,000
Bank Overdraft		-	2,497,939
		<u>3,428,794</u>	<u>4,700,742</u>
<b>CAPITAL AND RESERVES</b>			
Issued Capital		5,480,570	5,480,570
Reserves & Surplus		(6,465,080)	(6,525,169)
		<u>(984,510)</u>	<u>(1,044,599)</u>
<b>Total</b>		<u>2,444,284</u>	<u>3,656,143</u>

For and on behalf of the Board

**Liu Qiongli**

Director

## STATEMENT OF PROFIT / LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Note	31/3/2020	31/3/2019
		HK\$	HK\$
Revenue	4	<b>2,343,545</b>	4,249,405
Cost of Sales		<b>(2,098,000)</b>	(3,742,776)
<b>Gross profit</b>		<b>245,545</b>	506,629
Other Income	5	<b>3,129,463</b>	4,996,360
Operating Expenses		<b>(3,270,881)</b>	(5,038,258)
Finance cost	6	<b>(48,723)</b>	(220,677)
Exchange Gain/(loss)		<b>4,685</b>	2,041
<b>Profit before Tax expense</b>	7	<b>60,089</b>	246,095
Tax Expense	9	-	-
<b>Profit for the year</b>		<b>60,089</b>	246,095
<b>Retained (Loss) brought forward</b>		<b>(6,525,169)</b>	(6,771,264)
<b>Retained (Loss) carried forward</b>		<b>(6,465,080)</b>	(6,525,169)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Issued Capital HK\$	Retained Profits HK\$	Total HK\$
<b>As at 1st April, 2018</b>	<b>5,480,570</b>	<b>(6,771,264)</b>	<b>(1,290,694)</b>
Profit for the year ended 31st March, 2019	-	246,095	246,095
<b>As at 1st April, 2019</b>	<b>5,480,570</b>	<b>(6,525,169)</b>	<b>(1,044,599)</b>
Profit for the year ended 31st March, 2020	-	60,089	60,089
<b>As at 31st March, 2020</b>	<b>5,480,570</b>	<b>(6,465,080)</b>	<b>(984,510)</b>

For and on behalf of the Board

**Liu Qiongli**

Director

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note	31/3/2020	31/32019
		HK\$	HK\$
<b>Operating Activities</b>			
<b>Cash Flows from Operating Activities</b>			
Profit after Tax		<b>60,089</b>	246,095
<b>Adjustment for:</b>			
Interest Expenses and bank charges		<b>48,723</b>	220,677
Depreciation		-	-
<b>Operating Profit/(Loss)</b>		<b>108,812</b>	466,772
(Increase)/decrease in accounts receivables		<b>(4,308)</b>	5,515,576
(Increase)/decrease in other current assets		<b>1,263,473</b>	(1,210,397)
Increase/(decrease) in accounts payables		<b>(291,655)</b>	(5,012,924)
Increase/(decrease) in amount due to Holding Company		-	367,294
Increase/(decrease) in amount due to Fellow Subsidiaries		<b>1,536,600</b>	39,000
Decrease in accrued expenses and other current liabilities		<b>(18,954)</b>	(39,761)
<b>Net Cash from/(used in) Operating Activities</b>		<b>2,593,968</b>	125,560
Tax paid		-	-
<b>Net Csh Inflow from/(used in) Operating Activities</b>		<b>2,593,968</b>	125,560
<b>Financing Activities</b>			
Interest expenses and Bank charges		<b>(48,723)</b>	(220,677)
Increase (Decrease) Bank Overdraft		<b>(2,497,939)</b>	79,904
<b>Net Cash (used in)/from Financing Activities</b>		<b>(2,546,662)</b>	(140,773)
Net increase in cash and cash equivalents		<b>47,306</b>	(15,213)
Cash & cash equivalents at beginning of financial year		<b>187,774</b>	202,987
<b>Cash &amp; Cash Equivalents at end of Financial Year</b>	<b>11</b>	<b>235,080</b>	187,774

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, 2020

### 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, 6<sup>th</sup> 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.)**

<b>Particulars</b>	<b>31/03/2020</b>	<b>31/03/2019</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>4. REVENUE</b>		
An analysis of the Company's Revenue is as follows:		
Turnover	<u>2,343,545</u>	<u>4,249,405</u>
<b>5. OTHER INCOME</b>		
Purchase Returns	100,963	-
Commission Income	-	1,044,178
Service Charges	2,886,000	3,900,000
Other Income	1,42,500	52,182
	<u>3,129,463</u>	<u>4,996,360</u>
<b>6. FINANCE COST</b>		
Bank Interest	42,930	194,814
Bank Charges	5,793	25,863
	<u>48,723</u>	<u>220,677</u>
<b>7. PROFIT BEFORE TAXATION</b>		
This is stated after charging:		
Depreciation	-	-
Auditor's Remuneration	40,000	41,746
Foreign Exchange Loss/(Gain)	(4,685)	(2,040)
<b>8. Director's Remuneration</b>		
The Directors received no remuneration for their services to the Company during the year (2019: 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.		
<b>9. Income Tax Expense</b>		
Hong Kong Profits Tax has not been provided as the entire activities are off-shore and the Profits will be exempt.		
<b>10. Amount due to / from Holding/Fellow Subsidiaries</b>		
The amounts due to/from the Holding Company and fellow subsidiaries are unsecured.		
<b>11. Cash and Cash Equivalents</b>		
Cash and Cash Equivalents included in the statement of financial position comprise the following amounts:		
Cash on Hand	7,730	7,730
Cash at Bank	227,350	180,044
Cash and Cash equivalents	<u>235,080</u>	<u>187,774</u>



**NOTES (CONTD.)**

Particulars	31/03/2020	31/03/2019
	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 - 1,044,178

Purchases - -

**Other Intra Groups****Purchases**

Ultima S.A ,Switzerland 2,022,559 3,445,240

**Service Charges Received**

Ultima S.A ,Switzerland 1,716,000 2,340,000

Design Industry Ltd. 1,170,000 1,560,000

**2,886,000 3,900,000**

**13. Balances with Related Parties (Loans, Payables and Receivables)**

Name of the Related Party	Balance	Balance	Relationship
	(payable)/ receivable	(payable)/ receivable	
	2020 HK\$	2019 HK\$	
Bhartiya International Ltd.	66,063	66,063	Holding Company
Ultima S.A., Switzerland	(1,764,000)	(9,000)	Fellow subsidiary
Bhartiya Global Marketing Ltd., India	-	-	Fellow subsidiary
Design Industry Ltd., Hong Kong	(975,000)	(1,521,000)	Fellow subsidiary
Design Industry Ltd., China	(327,000)	-	Fellow subsidiary
Ultima Italia SRL, Italy	-	-	Fellow subsidiary

**14. Holding Company**

As at 31st March, 2020, 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 8<sup>th</sup> May, 2020

## 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, 2020

### 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, 2020 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, 2020.

### DIRECTORS

Mr. Walter Willi Zwahlen held the office of directorship during the year.

Director

11th June, 2020

## 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, 2019 to 31st March, 2020.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

### Revifidu SA

F. Ruaro  
Auditor in Charge

Christian Erard

Neuchatel, 11th June, 2020

**BALANCE SHEET AS AT 31st MARCH, 2020**

<b>Particulars</b>	<b>31.03.2020 CHF</b>	<b>31.03.2019 CHF</b>
<b>ASSETS</b>		
<b>Short Term Assets</b>		
Banks Accounts	<b>1,016,127.23</b>	3,007,630.45
Debtors	<b>4,517,840.67</b>	5,810,023.66
Advances to Creditors	<b>300,122.14</b>	291,864.57
Debtors Subsidiaries Companies	<b>725,744.80</b>	977,056.36
C/a Bhartiya Int. Ltd.	-	441,361.90
Stock of Goods	-	13,646.30
Transitional and Other Aebtors	<b>4,080.97</b>	18,231.90
Total Short Term Assets	<b>6,563,915.81</b>	10,559,815.14
<b>Fixed Assets</b>		
<b>Tangibles Assets</b>		
Furniture and computer	<b>500.00</b>	1,500.00
<b>Financial Assets</b>		
Rent Guaranty	<b>10,200.70</b>	10,200.25
Loans to Subsidiaries Companies	<b>990,345.41</b>	615,342.65
Investments	<b>2,480,930.00</b>	2,480,930.00
Advances for Brand Projects	<b>7,101,809.47</b>	3,793,019.33
<b>Total Fixed Assets</b>	<b>10,583,285.58</b>	6,899,492.23
<b>Total Fixed Assets</b>	<b>10,583,785.58</b>	6,900,992.23
<b>TOTAL ASSETS</b>	<b>17,147,701.39</b>	17,460,807.37
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Term loanfrom bank	<b>3,755,222.40</b>	3,960,065.60
<b>Current liabilities</b>		
Banks accounts	-	1,117,400.00
Creditors	<b>4,525,199.06</b>	5,055,054.56
Creditors Subsidiaries Companies	<b>561,413.17</b>	-
C/a Bhartiya International Ltd.	<b>459,709.06</b>	-
Transitional and other liabilities	<b>87,125.76</b>	53,619.75
<b>Total Current Liabilities</b>	<b>5,633,447.05</b>	6,226,074.31
Total Liabilities	<b>9,388,669.45</b>	10,186,139.91
<b>Equity</b>		
Share Capital	<b>1,000,000.00</b>	1,000,000.00
General Reserve	<b>278,000.00</b>	278,000.00
Retained earnings	<b>5,996,667.46</b>	5,348,786.88
Net Income of the year	<b>484,364.48</b>	647,880.58
Total Equity	<b>7,759,031.94</b>	7,274,667.46
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>17,147,701.39</b>	17,460,807.37

**INCOME STATEMENT 2019/2020**

<b>Particulars</b>	<b>31.03.2020 CHF</b>	<b>31.03.2019 CHF</b>
<b>Revenues</b>		
Sales to Foreign Customers	<b>21,927,151.57</b>	22,052'218.08
<b>Total Revenues</b>	<b>21,927,151.57</b>	22,052'218.08
<b>Merchandises Costs</b>		
Costs of Goods	<b>19,910,793.49</b>	20,067,149.40
Variation of Stock	<b>13,646.30</b>	-
<b>Total Merchandises Costs</b>	<b>19,924,439.79</b>	20,067,149.40
<b>Other Expenses</b>		
Personal Costs	<b>135,037.51</b>	85,629.53
Design and Consultancy	<b>816,848.48</b>	787,739.19
Administration, Rent and Directors	<b>197,934.57</b>	196,085.03
Audit and Lawyers	<b>16,916.43</b>	16,719.94
Marketing, Representation, Travel Expenses	<b>63,354.73</b>	84,828.00
<b>Total Other Expenses</b>	<b>1,230,091.72</b>	1,171,001.69
<b>Result before Interests, Taxes Provisions and Depreciation</b>	<b>772,620.06</b>	814,066.99
<b>Financial Incomes and Charges</b>		
Interests and Bank Fees (Nets)	<b>142,681.00</b>	318,503.31
Exchange Rate Difference	<b>(13,955.47)</b>	(192,926.25)
<b>Total Financial Incomes and Charges</b>	<b>128,725.53</b>	125,577.06
<b>Provisions and Depreciation</b>		
Depreciation	<b>1,000.00</b>	1,500.00
Extraordinary Items (net)	<b>95,017.55</b>	(27,276.79)
(Charges/Gains Previous Financial Year)		
<b>Result Before Taxes</b>	<b>547,876.98</b>	714,266.72
<b>Taxes</b>		
Federal Taxes	<b>13,812.50</b>	40,491.82
Canton and Commune Taxes	<b>49,700.00</b>	25,894.32
<b>Total Taxes</b>	<b>63,512.50</b>	66,386.14
<b>Net Income of the year</b>	<b>484,364.48</b>	647,880.58

**PROPOSED APPROPRIATION OF AVAILABLE EARNINGS**

<b>Particulars</b>	<b>31.03.2020 CHF</b>	<b>31.03.2019 CHF</b>
<b>Profit Available to the Annual General Meeting</b>		
Retained earnings at the beginning of the year	<b>5,996,667.46</b>	5,348,786.88
	<b><u>5,996,667.46</u></b>	<u>5,348,786.88</u>
<b>Net Income of the year</b>	<b>484,364.48</b>	647,880.58
	<b><u>6,481,031.94</u></b>	<u>5,996,667.46</u>
<b>Proposal of Board of Directors</b>		
Attribution to General Reserve	-	-
Carried forward	<b>6,481,031.94</b>	5,996,667.46
	<b><u>6,481,031.94</u></b>	<u>5,996,667.46</u>

**NOTES TO THE FINANCIAL STATEMENT AS AT 31ST MARCH, 2020**

<b>Particulars</b>	<b>31.03.2020 CHF</b>	<b>31.03.2019 CHF</b>
<b>Information 1 :</b>		
Essential Investments		
Ultima Italia S.r.l	<b>2,438,000.00</b>	2,438,000.00
(Share Capital EUR 2'000'000.-)	Interest of <b>100.00%</b>	100.00%
Design Industry Ltd	<b>11,900.00</b>	11,900.00
(Share Capital HKD 100'000.-)	Interest of <b>100.00%</b>	100.00%
Design Industry China Ltd	<b>31,030.00</b>	31,030.00
(Share Capital CNY 203,686.40)	Interest of <b>100.00%</b>	100.00%

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, 2020 and of the results of its operation for the period on the date.

Dr. Enrico Cantoni

29th May, 2020

## BALANCE SHEET AS AT 31ST MARCH, 2020

(Expressed in Euro)

Particulars	As at 31 <sup>ST</sup> March, 2020	As at 31 <sup>ST</sup> March, 2019
<b>ASSETS</b>		
Fixed Assets, Net of Depreciation	1,119,882	1,068,299
<b>CURRENT ASSETS</b>		
Inventories	135,946	356,019
Accounts Receivables	2,872,621	2,294,342
Deposits	1,847	1,847
Cash at Bank	14,900	63,329
<b>TOTAL ASSETS</b>	<b>4,145,195</b>	<b>3,783,836</b>
<b>LIABILITIES</b>		
Share Capital	2,000,000	2,000,000
Loan from holding Company	750,377	375,377
Profit/ (-Loss) for the previous years	196,839	175,704
Profit/ (-Loss) for the period	5,916	21,136
Bank overdraft/Limit	89,137	241,136
Loan from banks	482,969	360,670
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued Exp.	380,104	370,403
Other creditors	239,853	239,410
<b>TOTAL LIABILITIES</b>	<b>4,145,195</b>	<b>3,783,836</b>

## PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH, 2020

(Expressed in Euro)

Particulars	2019-2020	2018-2019
<b>INCOME</b>		
Sales	2,351,169	2,676,781
<b>TOTAL INCOME</b>	<b>2,351,169</b>	<b>2,676,781</b>
<b>COSTS AND EXPENSES</b>		
Costs of Goods Sold	446,274	403,050
Selling, General and Administrative	1,773,548	2,084,001
Depreciation	52,431	61,873
Financial Charges	44,520	59,977
<b>TOTAL COSTS</b>	<b>2,316,773</b>	<b>2,608,900</b>
Profit/ (-Loss) before Taxes	34,396	67,880
Taxes	28,480	46,745
Taxes previous years		
<b>Profit/ (-Loss) for the period</b>	<b>5,916</b>	<b>21,135</b>

## DIRECTORS' REPORT

The Director hereby presents his report together with the audited financial statements of the Company for the year ended 31st March, 2020.

### 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 31<sup>st</sup> March, 2020 are set out in the statement of comprehensive income. The statement of financial position of the Company as at 31st March, 2020 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 (2019: 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, 7th June, 2020

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, 2020, 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, 2020, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standard for Private Entities ("HKFRS for Private Entities") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### **Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Director and Those Charged with Governance for the Financial Statements**

The director is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRS for Private Entities issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material 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 HKSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional 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, 7th June, 2020

**STATEMENT OF BALANCE SHEET AS AT 31ST MARCH, 2020**

<b>Particulars</b>	<b>NOTE</b>	<b>31.03.2020 HK\$</b>	<b>31.03.2019 HK\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	10	3,332,398	1,556,050
Accounts Receivable		14,082,852	6,937,198
Due from Fellow Subsidiaries		975,000	1,521,000
		<u>18,390,250</u>	<u>10,014,248</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable		13,317,946	5,900,264
Accrued Expenses		80,557	81,422
Due to Holding/Ultimate Holding Company	12	2,216,580	2,216,580
Due to Fellow Subsidiaries		-	-
		<u>15,615,083</u>	<u>8,198,266</u>
<b>NET CURRENT ASSETS</b>		<u>2,775,167</u>	<u>1,815,982</u>
<b>NET ASSETS</b>		<u>2,775,167</u>	<u>1,815,982</u>
<b>EQUITY</b>			
Share Capital		100,000	100,000
Retained Profits		2,675,167	1,715,982
		<u>2,775,167</u>	<u>1,815,982</u>

**PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>Particulars</b>	<b>NOTE</b>	<b>31.03.2020 HK\$</b>	<b>31.03.2019 HK\$</b>
Revenue	4	77,688,933	78,476,255
Cost of Sales		(71,482,450)	(72,908,008)
<b>Gross Profit</b>		<u>6,206,483</u>	<u>5,568,247</u>
Other Revenue	5	282,287	10,837
Operating Expenses		(5,058,463)	(4,679,405)
Finance Cost		(471,122)	(617,818)
<b>Profit before Taxation</b>	6	<u>959,185</u>	<u>281,861</u>
Tax Expense	8	-	-
<b>Profit (Loss) after Taxation</b>		<u>959,185</u>	<u>281,861</u>
<b>Retained Profits brought forward</b>		<u>1,715,982</u>	<u>1,434,121</u>
<b>Retained Profits Carried forward</b>		<u>2,675,167</u>	<u>1,715,982</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 7th June, 2020

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>Particulars</b>	<b>Issued Capital HK\$</b>	<b>Retained Profits HK\$</b>	<b>Total HK\$</b>
<b>As at 1st April, 2018</b>	<b>100,000</b>	<b>1,434,121</b>	<b>1,534,121</b>
Profit for the year ended 31st March 2019	-	281,861	281,861
<b>As at 31st March, 2019</b>	<b>100,000</b>	<b>1,715,982</b>	<b>1,815,982</b>
Profit for the year ended 31st March 2020	-	959,185	959,185
<b>As at 31 March, 2020</b>	<b>100,000</b>	<b>2,675,167</b>	<b>2,775,167</b>

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2020**

<b>Particulars</b>	<b>Note</b>	<b>31.03.2020 HK\$</b>	<b>31.03.2019 HK\$</b>
<b>Operating activities</b>			
<b>Cash flows from Operating Activities</b>			
Profit after Tax		<b>959,185</b>	281,861
<b>Adjustment for:</b>			
Finance Cost		<b>471,122</b>	617,818
Interest Income		<b>(9,738)</b>	(10,837)
<b>Operating profit/(loss) before reinvestment of Capital</b>		<b>1,420,569</b>	888,842
(Increase)/decrease in accounts receivables		<b>(7,145,654)</b>	19,192,679
Increase/(decrease) in dues to Holding/ Fellow Subsidiary		<b>546,000</b>	(29,629,752)
Increase/(decrease) in Accounts Payables and Accrued Charges		<b>7,416,817</b>	5,348,069
<b>Net cash from / (used in) operating activities</b>		<b>2,237,732</b>	(4,200,162)
Tax paid		-	-
<b>Net Cash inflow from/(used in) Operating Activities</b>		<b>2,237,732</b>	(4,200,162)
<b>Investing Activities</b>			
Interest Income		<b>9,738</b>	10,837
		<b>9,738</b>	10,837
<b>Financing activities</b>			
Finance Cost		<b>(471,122)</b>	(617,818)
<b>Net Cash (used in)/from financing activities</b>		<b>(471,122)</b>	(617,818)
Net increase/(decrease) in cash and cash equivalents		<b>1,776,348</b>	(4,807,143)
Cash & cash equivalents at beginning of financial year		<b>1,556,050</b>	6,363,193
<b>Cash &amp; cash equivalents at end of financial year</b>		<b>3,332,398</b>	1,556,050

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, 2020

### 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	31.03.2020 HK\$	31.03.2019 HK\$
<b>Turnover</b>	<b>77,688,933</b>	78,476,255

**5. Other Income**

Discount Received	<b>20,394</b>	-
Claim Received	<b>252,155</b>	-
Interest	<b>9,738</b>	10,837

**6. Profit Before Taxation**

This is stated after charging:

Auditor's remuneration	<b>18,000</b>	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 (2019: 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:

<b>Particulars</b>	<b>2020 HK\$</b>	<b>2019 HK\$</b>
Cash	1	1
Bank Balances	3,332,397	1,556,049
<b>Cash and Cash Equivalents</b>	<b>3,332,398</b>	<b>1,556,050</b>

**11. Related Party Transactions**

During the year, the Company had the following transactions with related parties:

<b>Particulars</b>	<b>Purchases</b>	
	<b>2020 HK\$</b>	<b>2019 HK\$</b>
<b>Immediate Holding Company</b>		
Ultima SA	53,349,344	37,083,287
<b>Ultimate Holding Company</b>		
Bhartiya International Ltd.	507,825	29,960,679
<b>Immediate Holding Company</b>		
	<b>Service Charges/ Marketing Fee Paid</b>	
Ultima SA	-	(1,014,000)-
<b>Fellow Subsidiary</b>		
World Fashion Trade Ltd.	1,170,000	1,560,000
Ultima SRL Italia	-	2,905,276

**12. Balances with Related Parties (Loans, Payables and Receivables)**

<b>Name of the Related Party</b>	<b>Balance (payable)/ receivable</b>	<b>Balance (payable)/ receivable</b>	<b>Relationship</b>
	<b>2020 HK\$</b>	<b>2019 HK\$</b>	
Ultima SA .	(2,216,580)	(2,216,580)	Holding Company
Bhartiya International Ltd.	-	-	Ultimate holding Company
Ultima SRL Italia	-	-	Fellow subsidiary Company
World Fashion Trade Ltd.	975,000	1,521,000	Fellow subsidiary Company

**NOTES (CONTD.)****13. Holding Company**

As at 31st March, 2020, 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 7<sup>th</sup> June, 2020.



## **AUDITORS' REPORT**

**To,  
The Shareholders of  
Design Industry China Ltd.**

### **I. Opinion**

We have audited the financial statements of Design Industry China Ltd. (the "Design China Ltd."), which comprise the statement of financial position as at 31st March, 2020 and the related consolidated income statement, consolidated statement of changes in equity and consolidated cash flows statement for the during 1st April, 2019 to 31st March, 2020, and a summary of significant accounting policies and other explanatory notes.

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 31st March, 2020 and its operating results and cash flows for the during 1st April, 2019 to 31st March, 2020.

### **II. Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing for 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 the Design China Ltd. in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with these codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **III. Other Information**

The management of the Design China Ltd. (the "management") is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **IV. Responsibilities of the Management and those Charged with Governance for the Financial Statements**

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Systems for Business Enterprises, and for designing, implementing and maintaining the internal control as the management 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 management is responsible for assessing the Design China Ltd.'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 management either intend to liquidate the Design China Ltd. or to cease operations or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Design China Ltd.'s financial reporting process.

### **V. Auditors' 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 auditors' report that includes our audit opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- d) Conclude on the appropriateness of the 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 Design China Ltd.'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 Design 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.

**Jinxin Certified Public  
Accountants Co., Ltd.  
Chinese Certified Public Accountant:  
Hangzhou, China**

15th May, 2020

**BALANCE SHEET AS OF 31ST MARCH, 2020****Design Industry China Ltd.****Monetary Unit: RMB Yuan**

<b>Assets</b>	<b>Note No.</b>	<b>Ending Balance</b>	<b>Beginning balance</b>	<b>Liabilities &amp; Owners' Equity</b>	<b>Note No.</b>	<b>Ending Balance</b>	<b>Beginning balance</b>
Current Assets:				Current liabilities:			
Monetary funds	1	207,159.55	143,950.99	Short-term loans	33	-	-
Trading financial Assets	2	-	-	Trading financial liabilities	34	-	-
Bills receivable	3	-	-	Notes payable	35	-	-
Accounts receivable	4	269,319.76	312,364.80	Accounts payable	36	234,894.84	
Advances paid	5	24,249.06	5,998.00	Advances received	37	1,204,614.89	912,599.76
Interest receivable	6	-	-	Employee compensation payable	38	-	-
Dividend receivable	7	-	-	Taxes and rates payable	39	32,869.54	21,262.94
Other receivables	8	439,853.75	8,299.25	Interest payable	40	-	-
Inventories	9	8,777.31	13,822.87	Dividend payable	41	-	-
Non-current assets due within one year	10	-	-	Other payables	42	-	1,008,970.10
Other current assets	11	112,300.00	64,500.00	Non-current liabilities due within one year	43	-	-
<b>Sub-Total of Current Assets</b>	<b>12</b>	<b>1,061,659.43</b>	<b>548,935.91</b>	Other current liabilities	44	-	-
<b>Non-current assets:</b>							
Available-for-sale financial assets	13	-	-	<b>Sub-total of Current Liabilities</b>	<b>45</b>	<b>1,472,379.27</b>	<b>1,942,832.80</b>
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	40,799.40	61,319.40	Special payables	49	-	-
Less: Accumulated depreciation	19	-	-	Estimated liabilities	50	-	-
Fixed assets	20	40,799.40	61,319.40	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	-	-	<b>Total Liabilities</b>	<b>54</b>	<b>1,472,379.27</b>	<b>1,942,832.80</b>
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	-573,606.84	-1,536,263.89
<b>Sub-Total of Non-Current Assets</b>	<b>31</b>	<b>40,799.40</b>	<b>61,319.40</b>	<b>Total Owners' Equity</b>	<b>60</b>	<b>-369,920.44</b>	<b>-1,332,577.49</b>
<b>Total Assets</b>	<b>32</b>	<b>1,102,458.83</b>	<b>610,255.31</b>	<b>Total liabilities &amp; Owners' Equity</b>	<b>61</b>	<b>1,102,458.83</b>	<b>610,255.31</b>

**INCOME STATEMENT FOR THE YEAR 1ST APRIL, 2019 TO 31ST MARCH, 2020****Design Industry China Ltd.****Monetary Unit: RMB Yuan**

	<b>Items</b>	<b>Note No.</b>	<b>Current Period Cumulative</b>	<b>Preceding Period Comparative</b>
<b>I.</b>	<b>Revenue from Operations</b>	<b>1</b>	<b>4,834,500.70</b>	<b>3,449,941.94</b>
	Revenue from main operations	2	4,834,500.70	3,449,941.94
	Revenue from other operations	3	-	-
<b>II.</b>	<b>Cost of Operations</b>	<b>4</b>	<b>3,890,869.84</b>	<b>4,653,764.13</b>
	Cost of main operations	5	1,393,096.43	2,720,440.88
	Cost of other operations	6	-	-
	Taxes and surcharge for operations	7	25,095.73	9,136.74
	Selling expenses	8	-	-
	General & administrative expenses	9	2,449,954.65	1,922,725.12
	Financial expenses	10	22,723.03	1,461.39
	Assets impairment loss	11	-	-
	Add: Gain/loss on changes of fair value (or less: losses)	12	-	-
	Investment income (or less: losses)	13	-	-
	including: investment income from associates and joint ventures	14	-	-
<b>III.</b>	<b>Operating Profit</b>	<b>15</b>	<b>943,630.86</b>	<b>-1,203,822.19</b>
	Add: Non-operating revenue	16	19,076.19	
	Less: Non-operating expenditures	17	50.00	250.00
	including: Net loss on disposal of non-current assets	18	-	-
<b>IV.</b>	<b>Profit before Tax</b>	<b>19</b>	<b>962,657.05</b>	<b>-1,204,072.19</b>
	Less: Income tax	20	-	-
<b>V.</b>	<b>Net Profit</b>	<b>21</b>	<b>962,657.05</b>	<b>-1,204,072.19</b>

## STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEAR 1ST APRIL, 2019 TO 31ST MARCH, 2020

Design Industry China Ltd.

Monetary Unit: RMB Yuan

Item	Note No.	Current year	Last year	Item	Note No.	Current year	Last year
<b>Paid-in capital</b>	1	<b>200,000.00</b>	<b>200,000.00</b>	Reserve fund	29	-	-
Beginning balance	2	-	-	Enterprise expansion fund	30	-	-
Increase in the current year	3	-	-	Transfer-in from statutory public welfare fund	31	-	-
Including: Transfer-in from capital surplus	4	-	-	Decrease in the current year	32	-	-
Transfer-in from surplus reserve	5	-	-	Including: Recovery of losses	33	-	-
Transfer-in from distribution of profit	6	-	-	Conversion into capital (or stock)	34	-	-
Additional capital (or stock)	7	-	-	Distribution of cash dividend or profit	35	-	-
Decrease in the current year	8	-	-	Distribution of stock dividend	36	-	-
Ending balance	9	<b>200,000.00</b>	<b>200,000.00</b>	Ending balance	37		
				Including: Statutory surplus reserve	38		
<b>Capital surplus</b>	10	-	-	Reserve fund	39	-	-
Beginning balance	11	-	-	Enterprise expansion fund	40	-	-
<b>Increase in the current year</b>	<b>12</b>	<b>3,686.40</b>	<b>3,686.40</b>	National support funds			
Including: premium on capital (or stock)	13	-	-	<b>Statutory Public Welfare Fund</b>	41	-	-
Reserve of donated non-cash assets	14	-	-	Beginning balance	42	-	-
Receipt of cash donation	15	-	-	Increase in the current year	43	-	-
Equity investment reserve	16	-	-	Including: Amount appropriated from net income	44	-	-
Transfer-in from government appropriations	17	-	-	Decrease in the current year	45	-	-
Foreign currency capital translation difference	18	-	-	Including: Collective welfare expenditures	46	-	-
Other capital surplus	19	3,686.40	3,686.40	Ending balance	47		
Decrease in the current year	20	-	-	<b>Undistributed Profit</b>	48	-	-
Including: Conversion into capital (or stock)	21	-	-	Undistributed profit at the beginning of the year	49	-1,536,263.89	-373,427.29
Ending balance	22	-	-	Net income (or losses) for the year	50	962,657.05	-1,204,072.19
<b>Statutory and discretionary surplus reserves</b>	<b>23</b>	<b>3,686.40</b>	<b>3,686.40</b>	Profit distribution for the year	51	-	-
Beginning balance	24	-	-	Surplus reserve	52	-	-
Increase in the current year	25	-	-	Other	53	-	41,235.59
Including: Amount appropriated from net income	26	-	-	<b>Undistributed Profit/Losses at end of the year</b>	<b>54</b>	<b>-573,606.84</b>	<b>-1,536,263.89</b>
Including: Statutory surplus reserve	27						
Discretionary surplus reserve	28						

**STATEMENT OF CASH FLOW FOR THE YEAR 1ST APRIL, 2019 TO 31ST MARCH, 2020**

Design Industry China Ltd.

Monetary Unit: RMB Yuan

Items	Note No.	Current period Cumulative	Preceding Period Cumulative
<b>I. Cash Flows from Operating Activities:</b>			
Cash receipts from sale of goods or rendering of services	1	6,038,799.91	5,090,839.41
Cash receipts from taxes and rates refunds	2	76,486.36	27,976.32
Other cash receipts relating to operating activities	3	19,076.19	838,714.87
<b>Total Cash Inflows from Operating Activities</b>	<b>4</b>	<b>6,134,362.46</b>	<b>5,957,530.60</b>
Cash paid for goods and services	5	1,571,076.21	3,873,352.66
Cash paid to and on behalf of employees	6	1,454,247.39	1,134,854.26
Cash payments of taxes and rates	7	210,097.28	64,830.04
Other cash payments relating to operating activities	8	2,819,218.39	752,814.16
<b>Total Cash Outflows from Operating Activities</b>	<b>9</b>	<b>6,054,639.27</b>	<b>5,825,851.12</b>
<b>Net Cash Flows from Operating Activities</b>	<b>10</b>	<b>79,723.19</b>	<b>131,679.48</b>
<b>II. Cash Flows from Investing Activities:</b>			
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	-	-
<b>Total Cash Inflows from Investing Activities</b>	<b>15</b>	<b>-</b>	<b>-</b>
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	-	-
<b>Total Cash Outflows from Investing Activities</b>	<b>19</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flows from Investing Activities</b>	<b>20</b>	<b>-</b>	<b>-</b>
<b>III. Cash Flows from Financing Activities:</b>			
Cash received from investment by others	21	-	-
Cash received from borrowings	22	-	-
Other cash receipts relating to financing activities	23	-	-
<b>Total Cash Inflows from Financing Activities</b>	<b>24</b>	<b>-</b>	<b>-</b>
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	-	-
<b>Total of Cash Outflows from Financing Activities</b>	<b>28</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flows from Financing Activities</b>	<b>29</b>	<b>-</b>	<b>-</b>
<b>IV. Effect of Foreign Exchange Rate Changes on Cash &amp; Cash Equivalents</b>	<b>30</b>	<b>-16,514.63</b>	<b>-297.88</b>
<b>V. Net Increase in Cash and Cash Equivalents</b>	<b>31</b>	<b>63,208.56</b>	<b>131,381.60</b>
Add: cash at the beginning of the period		143,950.99	12,569.39
<b>VI. Cash and Cash Equivalents at the end of the period</b>		<b>207,159.55</b>	<b>143,950.99</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE DURING 1ST APRIL, 2019 TO 31ST MARCH, 2020**

### **I. Company Profile**

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 9<sup>th</sup>, 2015, equivalent to RMB203,686.40 yuan. Corporation registers: Room 407-1, Tower 8, United Plaza, No.58 Qianjiang Road, Hangzhou, China.

The company changed its legal representative on May 9, 2019. After the change, the legal representative is: Sun Xiaoling.

After the change, Scope of business: the wholesale, retail, import and export of clothing, textile, suitcases & leather ware, art ware (except cultural relics), daily provisions; Service: clothing design, entrusted to engage in product quality inspection (Commodities that don't involve trade management commodity of China but involve quota, license management commodity, should be made application in accordance with the national relevant regulations.) (Any project that needs to be approved by law can only be carried out after getting approval by relevant authorities.)

### **II. Basis of Preparation**

The financial statements are prepared on an ongoing basis. According to the actual transactions and events, the principal accounting policies adopted in the preparation of the financial statements are in conformity with Accounting Standards for Business Enterprises-Basic Standard issued in 2006 and other specific accounting standards.

### **III. Statement of Compliance**

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises, and present truly and completely information as financial position, results of operations and cash flows of the Company.

### **IV. Significant Accounting Policies and Estimates Adopted by the Company**

#### **(I) Fiscal Year**

The financial year has been based on Gregorian calendar which starts on 1st April and ends on the next year 31st March.

#### **(II) Bookkeeping Base Currency**

The Company takes Renminbi (RMB) yuan as its bookkeeping base currency.

#### **(III) Accounting Measurement Attribute**

The Company adopts the historical cost basis for accounting measurements. The financial assets and financial liabilities which are measured at their fair values, of which the variation is recorded into the profits and losses of the current period, financial assets available for sale, and derivative financial instruments are measured at their fair values; investment real estates are measured at the cost model, the fair value model will only be applied for measurement when the company has got concrete evidence signifying that the fair value of investment real estates could be obtained continuously and reliably; inventory, fixed assets and other assets on acquisition, which its payment delayed longer than normal payment condition, should be measured at the present value of the payment; other assets with impairment are measured at the recoverable amount, the amount of overage on assets is determined at replacement cost; the asset inventory surplus is measured at replacement cost.

There is no change about calculation nature of statement items during current reporting period.

#### **(IV) Recognition Criteria of Cash and Cash Equivalents**

Cash equivalents refer to short term, (generally refers to the purchase date due within 3 months) highly liquid investments that readily convert to cash and that are subject to an insignificant risk of changes in value.

#### **(V) Foreign Currency Translation**

Transactions denominated in foreign currency are translated into RMB yuan at the spot exchange rate published by People's Bank of China at the transaction date. For ending balances of various foreign currency accounts, foreign currency monetary items are translated at the spot exchange rate at the balance sheet date with difference, included in profit or loss of the period; non-monetary items carried at historical costs are translated at the spot exchange rate at the transaction date; non-monetary items carried at fair value in foreign currency are reported at the spot exchange rate at the date when the fair value was determined, with difference included in the profit or loss arising from change in fair value.

**NOTES (CONTD.)****(VI) Provision for bad and doubtful debts**

The provision for bad and doubtful debts is estimated by management based on individual accounts receivable which show signs of uncollectibility. Provision for other receivables is determined based on their specific nature and management's estimate of their collectability.

**(VII) Inventories**

1. Inventories include finished products or goods held for sale in the ordinary course of business, work in process in the process of production, and materials or supplier etc. to be consumed in the production process or in the rendering of services.
2. Raw materials purchased, checked and accepted into storage are recorded at the standard cost; dispatched from storage are accounted for with standard cost method; finished products (self-made semi-finished products) accepted into storage are recorded at the standard cost; dispatched from storage are accounted for with standard cost method. The standard cost is adjusted to the actual cost according to the cost variance of inventories dispatched from storage at the end of the period.
3. At the balance sheet date, inventories are measured at the lower of cost or net realizable value; Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses; the net realizable value of a material inventory to be processed is the estimated selling price of the finished goods made of the material minus the prospective costs, selling expenses and taxes upon completion under normal production and management; in case the price of part of an inventories is agreed in the contract but the other parts under the same item is not agreed in the contract by the date of balance sheet, the net realizable value shall be confirmed separately and compared with the corresponding costs to confirm the amount of inventory revaluation reserve.
4. Perpetual inventory method is adopted.
5. Low value consumables are amortized upon the first usage.

**(VIII) Principle of Revenue Recognition****1. Sale of Goods**

Revenue recognition from the sale of goods takes place when: (1) significant risks and rewards of ownership of the goods is transferred to the buyer; (2) the entity retains neither continuing managerial involvement of ownership nor effective control over the goods sold; (3) the amount of revenue can be measured reliably; (4) it is probable that the economic benefits of the transaction will flow to the entity; (5) the costs of the transaction incurred and to be incurred can be measured reliably.

**2 Revenue from Providing Labor Services**

If an enterprise can, on the date of the balance sheet, reliably estimate the outcome of a transaction concerning the labor services it provides (the amount of revenue can be measured in a reliable way; the relevant economic benefits are likely to flow into the enterprise; the schedule of completion under the transaction can be confirmed in a reliable way; and the costs incurred or to be incurred in the transaction can be measured in a reliable way), it shall recognize the revenue from providing services employing the percentage-of-completion method.

If an enterprise cannot, on the date of the balance sheet, measure the result of a transaction concerning the providing of labor services in a reliable way, it shall be conducted in accordance with the following circumstances, respectively: If the cost of labor services incurred is expected to be compensated, the revenue from the providing of labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount; or if the cost of labor services incurred is not expected to compensate, the cost incurred should be included in the current profits and losses, and no revenue from the providing of labor services may be recognized.

**3 Revenue from allowing others to use the Company's Assets**

Revenue arising from use by others of assets is recognized when: it is probable that economic benefits associated with the transaction will flow to the entity, and the amount of the revenue can be measured reliably. Interest income is recognized based on the length of time for which the entity's cash is used by others and the effective interest rate; and royalties are recognized according to the period and method of charging as specified in relevant contract or agreement.

**(X) Deferred tax assets/ Deferred Tax Liabilities**

1. Deferred tax assets or deferred liabilities are calculated and recognized based on the difference between the carrying value and tax base of assets and liabilities (and the difference of the carrying value and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.



**NOTES (CONTD.)**

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which it is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any concrete evidence showing that it is likely to acquire a sufficient amount of taxable income in a future period to offset against the deductible temporary difference, the deferred tax assets unrecognized in prior periods is recognized.
3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed, if it is unlikely to obtain sufficient taxable income to offset against the benefit of the deferred tax asset, the carrying amount of the deferred tax assets is written down. And such write-down is subsequently reversed where it becomes probable that sufficient taxable income will be available.
4. Companies current tax and deferred income taxes as income tax expenses or income included in current period profit and loss, but does not include income generated by the following circumstances: (1) business combination; (2) transactions or matters directly listed in the owner's equity.

**V. Changes of Accounting Policies and Accounting Estimates and Corrections of Prior Period Errors****1. Changes of Accounting Policies**

There have been no changes in accounting policy during the year.

**2. Changes of Accounting Estimates**

There have been no changes in accounting estimates during the year.

**3. Corrections of Prior Period Errors**

There have been no corrections of prior period errors during the year.

**VI. Taxes and Rates****(I) Value-added tax (VAT)**

Output VAT is 16% 13% 6% of product sales and taxable services revenue, according to tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable. Export goods enjoy the "exempt, credit and refund" policy with statutory refund rate.

**(II) Urban maintenance and Construction Tax**

Levied at the rate of 7% of turnover tax payables.

**(III) Education fee Surcharge**

Levied at the rate of 3% of turnover tax payables.

**(IV) Local Education Surcharge**

Levied at the rate of 2% of turnover tax payables.

**(V) Income Tax**

The statutory income tax rate of the Company is 25%.

**VII. Profit Distribution**

According to the relevant provisions of the articles of corporation.

**NOTES (CONTD.)****VIII. Notes to items of Financial Statements****(In RMB Yuan, unless otherwise stated)****1. Monetary Funds****(1) Details (please find Balance Sheet Note No. 1)**

Items	Ending Balance	Beginning Balance
Cash on hand	90,430.87	8,349.63
Cash in bank	116,728.68	135,601.36
<b>Total</b>	<b>207,159.55</b>	<b>143,950.99</b>

**2. Accounts Receivable**

(1) Age analysis (please find balance sheet note No.4)

Age	Ending Balance			Beginning Balance		
	Book Balance	Proportion (%)	Provision for bad debts	Book Balance	Proportion (%)	Provision for bad debts
Within 1 year	269,319.76	100	-	312,364.80	100	-

(2) No receivable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

(3) No ending balance due from related parties.

**3. Advances Paid**

(1) Age Analysis (please find Balance Sheet Note No. 5)

Age	Ending Balance			Beginning Balance		
	Book Balance	Proportion (%)	Provision for bad debts	Book Balance	Proportion (%)	Provision for bad debts
Within 1 year	24,249.06	100	-	5,998.00	100	-

(2) No receivable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

(3) No ending balance due from related parties.

**4. Other Receivables (please find Balance Sheet note No. 8)**

(1) Age Analysis

Age	Ending Balance			Beginning Balance		
	Book Balance	Proportion (%)	Provision for bad debts	Book Balance	Proportion (%)	Provision for bad debts
Within 1 year	439,853.75	100.00	-	8,299.25	100	-

(2) End of other accounts receivable unit details:

Export tax rebate	1,590.75
Sun Xiaoling	8,713.00
Nitin	10,000.00
Prabeesh kumar	600.00
Sun -	418,950.00

**5. Inventories (please find Balance Sheet Note No. 9)**

Item	Ending Balance	Beginning Balance
	Book Balance	Book Balance
Bulk Sample	8,777.31	13,822.87

**NOTES (CONTD.)**

(In RMB Yuan, unless otherwise stated)

**6. Other Current Assets ( please find balance sheet note No.11)**

Item	Beginning balance	Increase	Decrease	Ending Balance
Rent	64,500.00	474,500.00	426,700.00	112,300.00
<b>Total</b>	<b>64,500.00</b>	<b>474,500.00</b>	<b>426,700.00</b>	<b>112,300.00</b>

**7. Fixed Assets Cost (please find balance sheet note No.18)****(1) Original Value**

Item	Beginning balance	Increase	Decrease	Ending Balance
Instruments & implement	7,788.00	-	-	7,788.00
achinery & equipment	90,000.00	-	-	90,000.00
<b>Total</b>	<b>97,788.00</b>	<b>-</b>	<b>-</b>	<b>97,788.00</b>

**(2) Accumulated Depreciation**

Item	Beginning balance	Increase	Decrease	Ending Balance
Instruments and implement	7,193.20	-	-	7,193.20
Machinery & equipment	29,275.40	20,520.00	-	49,795.40
<b>Total</b>	<b>36,468.60</b>	<b>20,520.00</b>	<b>-</b>	<b>56,988.60</b>

**(3) Net Value**

Item	Beginning balance	Increase	Decrease	Ending Balance
Instruments andimplement	594.80	-	-	594.80
Machinery & equipment	60,724.60	-	20,520.00	60,724.60
<b>Total</b>	<b>61,319.40</b>	<b>-</b>	<b>20,520.00</b>	<b>40,799.40</b>

(4) No Fixed Assets Depreciation Reserves.

**8. Accounts payable ( please find balance sheet note No.36)****(1) Age Analysis**

Age	Ending Balance		Beginning Balance	
	Book Balance	Proportion (%)	Book Balance	Proportion (%)
Within 1 year	234,894.84	100.00	-	-

**(2) No ending balance due to related parties.****9. Advances received ( please find balance sheet note No.37)****(1) Age Analysis**

Age	Ending Balance		Beginning Balance	
	Book Balance	Proportion (%)	Book Balance	Proportion (%)
Within 1 year	1,204,614.89	100	912,599.76	100

**(2) No ending balance due to related parties.**

**NOTES (CONTD.)**

(In RMB Yuan, unless otherwise stated)

**10. Taxes and Rates Payable (please find Balance Sheet Note No. 39)**

Items	Ending Balance	Beginning Balance
Income tax payable		
value added tax payable	29,416.45	17,418.07
Tax for maintaining and building cities payable	2,059.15	1,219.26
Education fee surcharge	882.49	522.54
Local education surcharge	588.33	348.36
Stamp tax	337.05	96.66
Personal income tax payable	-	1,658.05
Export tax rebate	-413.93	-
<b>Total</b>	<b>32,869.54</b>	<b>21,262.94</b>

**11. Other Payable**

(1) Age Analysis (please find Balance Sheet Note No.42)

Age	Ending Balance			Beginning Balance		
	Book Balance	Proportion (%)	Provision for bad debts	Book Balance	Proportion (%)	Provision for bad debts
Within 1 year	-	-	-	1,008,970.10	100	-

(2) No payable corporate loans owed by stakeholder who is holding more than 5% of the company (including 5%) voting shares at the end of the period.

(3) No ending balance due from related parties.

**12. Paid-in Capital**

Ending Balance 200,000.00

(1) Details (please find balance sheet Note No.55)

Investors	Beginning Balance	Increase/Decrease	Ending Balance	Amount in Original Currency
ULTIMA SA	200,000.00	-	200,000.00	USD32,000.00

Note: ULTIMA SA contributed USD 32,000.00 on September 9<sup>th</sup>, 2015. The registered capital is RMB 200,000.00.**13. Capital surplus (please find balance sheet note No.56)**

Capital Surplus	Beginning Balance	Increase/Decrease	Ending Balance
Other Capital Surplus	3,686.40	-	3,686.40

**14. Undistributed Profit**

Details (please find balance sheet note No.59)

Retained earnings at the beginning of the year	-1,536,263.89
Add net profit for the year	962,657.05
Retained earnings carried forward	-573,606.84

**15. Revenue from Operations (please find Income Statement Note No. 1)**

Items	Current Period Cumulative	Preceding Period Comparative
Revenue from main operations	4,834,500.70	3,449,941.94
<b>Total</b>	<b>4,834,500.70</b>	<b>3,449,941.94</b>

**16. Cost of Operations ( please find Income Statement note No.5)**

Items	Current Period Cumulative	Preceding Period Comparative
Cost of main operations	1,393,096.43	2,720,440.88
<b>Total</b>	<b>1,393,096.43</b>	<b>2,720,440.88</b>

**NOTES (CONTD.)**

(In RMB Yuan, unless otherwise stated)

**17. Taxes & Surcharge for Operations (please find Income Statement note No.7)**

Items	Current Period Cumulative	Preceding Period Comparative
Urban maintenance and construction tax	13,795.33	4,734.76
Education fee surcharge	5,912.28	2,029.18
Local education surcharge	3,941.52	1,352.79
Stamp tax	1,446.60	1,020.01
<b>Total</b>	<b>25,095.73</b>	<b>9,136.74</b>

**18. General & Administrative expenses Current Period Cumulative (please find Income Statement note No.9)**

Items:	Current Period Cumulative	Preceding Period Comparative
Staff Salaries	1,038,820.00	863,006.00
Social Security Funds	186,405.48	170,329.43
Employee Benefits/Welfare	221,821.91	96,118.83
Travelling Expense	259,209.63	220,102.50
Office Supplies	30,470.20	26,949.60
Repair Charge	6,649.94	11,366.17
Deductibility Of Business Entertainment	82,167.21	59,862.43
Courier Charge	88,359.68	67,400.59
depreciation cost	20,520.00	23,191.64
Car Expense	17,745.19	23,530.73
Accumulation Fund	7,200.00	5,400.00
Property Cost	24,783.71	78,012.74
Rent	341,550.00	204,560.00
Other Miscellaneous	124,251.70	72,894.46
<b>Total</b>	<b>2,449,954.65</b>	<b>1,922,725.12</b>

**19. Financial Expenses (please find Income Statement note No.10)**

Items	Current Period Cumulative	Preceding Period Comparative
Interest income	-286.21	-574.04
Other financial expenses	6,494.61	1,737.55
foreign exchange loss	16,514.63	297.88
<b>Total</b>	<b>22,723.03</b>	<b>1,461.39</b>

**20. Non-Operating revenue (please find Income Statement note No.16)**

Items	Current Period Cumulative	Preceding Period Comparative
<b>fine</b>	<b>19,076.19</b>	

**21. Non-Operating expenditures (please find Income Statement note No.17)**

Items	Current Period Cumulative	Preceding Period Comparative
<b>fine</b>	<b>50.00</b>	<b>250.00</b>

**IX Other Important Matters**

The income tax payable of 2019 will be confirmed according the annual income tax settlement.

**This balance sheet from 1 April to the next year 31 March is being done for parent company only.**

**DESIGN INDUSTRY CHINA LTD.**

15th May, 2020

# BHARTIYA

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